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MOVEMENTS OF NEGRO POPULATION AS SHOWN BY CENSUS OF 1910

When in 1790 the first census was taken, the negroes constituted 19.3 per cent or nearly one fifth of the entire population. They then formed a larger proportion of the inhabitants of the country as a whole than they now do of Maryland or of Texas.

According to the census of 1910, only 10.7 per cent of the American people have African blood in their veins. This percentage is a little smaller than it is in Kentucky and a little larger than in Oklahoma. The number of whites has increased more rapidly than that of the blacks during practically all of the one hundred and twenty years which have separated the first administration of Washington from that of Taft. Upon the face of the census returns there were two decades when the reverse was true. Between 1800 and 1810 the Napoleonic wars were at their height; European immigration into this country was trifling. During four fifths of the decade the slave trade was still legal. Every one knew that after 1808 it would be forbidden. It was, as a consequence, abnormally active in the years immediately preceding. In 1810 it was found that while the white population had increased 36.1 per cent, the negro increase had been a trifle greater, or 37.5 per cent. Both these percentages were very large. The increase of the whites was due almost altogether to the excess of births over deaths.

The only other census which seemed to show that the negro population was growing at a more rapid rate than the white was that of 1880, according to which it was 34.9 per cent greater than ten years before. Immigration of negroes had been considerable. The whites increased nearly 30 per cent; and European immigrants were numerous. If reliable, the importance of these census statements could hardly be exaggerated. For if the rate of natural increase among the negroes had, in the decade, been from 50 to 75 per cent greater than among the whites, there was reason to fear that the United States would ultimately cease to

be a white man's country, in the numerical sense of that term, at least; and that the southern states would soon have an overwhelming preponderance of African blood. There were not a few speeches made and not a few articles written to show that emancipation was producing much the same result in the Gulf States that it had in the British West Indies. Most of the talking and writing was done by white men; they were alarmed. The few negroes who discussed the subject were inclined, not unnaturally, to be a trifle boastful in their predictions.

After the census of 1890 had been taken, it was found that hopes and fears were equally idle. Political conditions in the South had, in 1870, prevented a full count of the people of either race. And since society was most disorganized in sections where the negroes were most numerous, census takers overlooked more negroes than whites. According to the census of 1890, the rate of negro increase in the decade preceding, instead of being greater than that of the whites as the former census had appeared to show, had been only one half so great. It was officially reported to have been 13.5 per cent as against 27.7 per cent for the whites.

The wind of prophecy chopped round. Expert statisticians, in learned and laborious monographs, proved to their own satisfaction that before long the negro population would actually decrease. Some of those who had been intimately connected with the taking of the census of 1890 doubted whether it was sufficiently accurate to form a reliable basis for so far-reaching a conclusion. When the results of the enumeration of 1900 were made public it appeared that there were 18 per cent more negroes in the country than had been returned in 1890. In neither decade had there been any appreciable negro emigration or immigration. It was not easy to understand how it was possible that the negro rate of increase should fluctuate so violently and unaccountably. There were no conditions known to exist which would have led to so rapid an advance in the rate of natural increase. The truth was that in 1890 census taking had been badly done, especially in the South. In all probability, the rate of negro increase between 1880 and 1890 was about 16 per cent rather than 13.5; and between 1890 and 1900, under 15 per cent rather than 18 per cent as reported.

This restatement of a twice-told story has been made with a purpose. If the census of 1910 was accurately taken, there is again a sudden drop in the rate of negro increase. According to

the official figures it fell to 11.2 per cent. It may well be so. If it is, the fact may be very significant. No one knows that it is not so. In the light of past experience one may hesitate to build too confidently upon it. There is no sure way of checking up its accuracy. Few or none of the states in which the negroes are relatively numerous have any general and efficient system of registering either births or deaths.

Some light may, perhaps, be gotten by noting the relative proportion of young negro children to the total negro population as returned at different census periods. Such a comparison seems to show that the birth-rate among persons of African descent is falling, though the diminution in the last decade does not appear to have been great. Moreover, an examination of the tables of age distributions at the different enumerations seems to indicate that when a census has been badly taken, an undue proportion of those omitted have been very young children. It may well be that professional statisticians can find in the census volumes data which will enable them to demonstrate that the negro increase as there stated is accurate, or the reverse. I have not been able to do the one or the other. This much may be safely ventured. It is not probable that the negro rate of increase was much above 14 per cent, or say 3 per cent more than the census says it was. If it was so great, the number of negroes omitted could not have much exceeded a quarter of a million. Even if the census returns were inaccurate to that extent, certain very important results to which they point would be unaffected. It would still remain true that in the country as a whole the whites are increasing relatively faster than the blacks, and that their absolute increase is many times as great.

The really vital question with reference to the increase and distribution of the negro inhabitants has always been whether there is any considerable portion of the country in which they are likely ever to be numerically preponderant to any considerable degree. In only one section has such a possibility ever seemed to exist. The six contiguous states, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana, have an area of over 287,000 square miles, which is one third greater than that of either France or Germany. Had slavery continued, it is at least probable that the majority, and perhaps a considerable majority, of the human beings who would now be living in this

great and fertile section of the country would be negroes or persons with more or less negro blood.

In the half century preceding the Civil War, the process of Africanization went steadily on. When the third census was taken, in 1810, out of every thousand residents of this portion of the country 532 were white. It is true that Florida had not then been annexed and its few inhabitants were not included in the census figures. Had they been, no appreciable change in the relative proportion of the races would have resulted. This white majority of 64 in every thousand decreased decade after decade. When at the Charleston convention the Democratic party split and thereby made Republican success in the electoral college probable if not certain, there were in the six states in question only 504 whites to every 496 blacks, a white majority of but eight to the thousand. The abolition of slavery did not at once reverse the tendency. In 1870 for the first time the census showed a negro majority. In 1880 it was still larger, there being then 520 blacks to every 480 whites. Since then the movement has been in the opposite direction. In 1890 there were 506 negroes in every thousand. In 1900, for the first time since 1860, there was again a white majority. It was very small—only 4,000 out of a total population of nearly 9,000,000. In the last decade the whites have gained with great rapidity. They now have a majority of more than half a million. Out of every thousand inhabitants, 527 are white and only 473 are black. The relative proportion of the races in these states is now about what it was at the close of the second war with Great Britain. Of course, if there was in 1910 an under-enumeration of negroes, the greater portion of the omissions were probably in these states. And if so, it would nevertheless be true that the whites had in the decade added to their total 300,000 more than the blacks.

All possibility that there will ever be a negro population in this section of the country has apparently passed forever. Only two of the six, South Carolina and Mississippi, now have negro majorities. If the whites are gaining on the blacks as fast as the last census indicates, within twenty years there should be a white majority in South Carolina, and before many decades in Mississippi as well. If the census be somewhat inaccurate, a longer period may elapse before that result is attained. That sooner or later it will be, seems highly probable.

It is possible that every state in the South may come to have

a white majority, while at the same time the negro preponderance in certain sections of them increases. Such would be the case if the white population grew rapidly in those counties in which the whites are already in the majority, or in those in which the negro majority is but small, while the already small white population of the overwhelmingly negro counties either decreased or increased but slowly.

In 1900 there were 19 counties¹ in each of which the negroes were at least five times as numerous as the whites and in which it was possible to compare the race distribution of the population with that which existed in the same areas twenty years before. Between 1880 and 1890 the white population had increased from a little less than 44,000 to a little more than 47,000, while the negro population had grown from 263,000 to 364,000. These counties were apparently becoming blacker and blacker all the time. In 1880, out of every thousand inhabitants 143 were white. By 1900 this proportion had fallen to 115 in every thousand. Between 1900 and 1910, however, it rose to 134. This fact may not be very significant, for if there had been any considerable number of negroes overlooked by the census takers a very large proportion of such cases would in all probability have been in these very counties.

The really important revelation of the census of 1910 is that no negro preponderance is so great as in itself to prevent an increase of the white population, either by leading to the emigration of white residents or by preventing the immigration of whites from other places. In these blackest of black counties,² the whites, during the last decade, have increased 27 per cent, the negroes but 7 per cent. In 15 of the 19 counties there was an actual increase in the white population—a decrease in only four. It is not likely that census enumerators could have returned blacks as whites in any appreciable number.

If the same tendencies which apparently were at work during the decade between 1900 and 1910 shall continue in full force for the next half century, there will be few counties in the United States in which the negroes will greatly, if at all, outnumber the whites. Some considerable progress in turning black into white

¹ Beaufort, South Carolina; Lee, Georgia; Green and Lowndes, Alabama; Bolivar, Coahoma, Issaquena, Leflore, Noxubee, Sharkey, Tunica, and Washington, Mississippi; Concordia, East Carroll, Madison, Tensas and West Feliciana, Louisiana; Chicot and Crittenden, Arkansas.

² The same enumerated in Note 1.

counties has been made in the last ten years. In 1900 there were 287 counties with negro majorities. There were such counties in Maryland and in every one of the eleven states which made up the Southern Confederacy. Between the two census periods four new negro counties have been created by dividing some of those which existed ten years ago. There were in 1910 only 263 counties with negro majorities. Deducting the four new counties, which of course added nothing to the area of the black belts, there was during the ten years a net loss to those belts of 28 counties. In the aggregate, the area of these 28 doubtless exceeded that of the state of Maryland. One census period is, of course, too short a time upon which to base confident predictions. It can, however, be asserted that the census of 1910 seems very conclusively to show that the whites are almost everywhere increasing more rapidly than the blacks, and that the negro population is tending toward dispersion throughout the country rather than toward segregation in particular portions of it.

Negro population in the last decade increased more rapidly than white in only two of the old slave states having any considerable negro population, Arkansas and Oklahoma. There was such an increase in West Virginia, but the negro population of that state is still relatively very small and it even now contains relatively fewer negroes than it did before the war. Those who have come in during the last few years have been brought in to work in its mines. The dispersion of the negro population is evidenced by the fact that in the last decade their numbers in the old free states have increased 22.8 per cent; that is to say, their rate of increase has there been twice as great as their average rate of increase for the country as a whole. It is probable that the excess of births over deaths among the Northern negroes is less than among the Southern. Obviously, there has been a considerable movement of negroes, during the decade, northward across the Mason and Dixon Line and the Ohio River. Yet in the North as a whole the negroes do not even yet number one in every fifty of the inhabitants.

The question of whether the races are amalgamating is of great importance. Not a little of our legislation and many of our social restrictions rest upon the fear that there is danger of such race admixture. It is generally believed that the process is going on now much less rapidly than it once did. In 1850, 1860, 1870, 1890, and 1910, the census authorities attempted to ascertain the pro-

portion of mulattoes among the entire negro population. In 1850 that proportion was returned as 11.2 per cent; in 1860 as 13.2 per cent; in 1870 as 12 per cent; in 1890 as 15.2 per cent; and in 1900 as 20.9 per cent. Mulatto, within the census definition, includes every one of mixed blood, no matter in what proportion. Mulattoes and negroes, of course, freely intermarry. The census figures may, therefore, be right without contradicting the popular impression. They would, however, tend to negative the current idea that the rate of natural increase among mixed bloods is small.

Slave labor could be employed to better advantage in the cultivation of staples than in any other line of industry extensively carried on in the South before the war. While slavery existed, therefore, there was a tendency toward concentration of the negro population in those portions of each state in which the raising of tobacco, indigo, rice, cotton, or sugar was most largely engaged in. As a consequence, when slavery was abolished and for some time thereafter, the counties in which the negroes were in a majority were not sprinkled in checkerboard fashion over the entire surface of the southern states, but were grouped almost exclusively in four so-called black belts, three of them extensive and one smaller.³ These belts were of irregular outline. They might surround one or more counties in which there was a white majority. A tongue of white counties might project into a mass of black counties or vice versa, but with few and insignificant exceptions every county which had a black majority touched on at least one other county.

The first negro slaves brought into the English-speaking colonies of continental America came to Virginia when Virginia was almost exclusively engaged in the production of tobacco. The northernmost of the black belts may be fairly described as the tobacco belt, although in some of its southern counties cotton is also raised. For eighty years this belt has been diminishing in area. In 1830 it included, in Maryland, the three Eastern Shore counties of Kent, Queen Anne, and Talbot, and all of the five Western Shore counties south of the Patapsco; in Virginia, nearly all the counties east of the Blue Ridge; and some in North Carolina. In that year it covered an area of over 27,000 square miles divided into some 70 counties. It was more than twice as extensive as the entire state of Maryland. Now it includes only forty-

³They may be called the tobacco, the Eastern cotton, the Mississippi, and the Texas belts.

four counties and covers an area of less than 18,000 square miles. It is becoming more and more irregular in outline. Wherever industrial centers are developing or cities are gaining in population, the whites are in the majority or apparently soon will be. Its northern boundary has been pushed southward. Charles (Md.) is the only county north of the Potomac which now has a negro majority.

It is true that there are four counties included in the black belt under discussion which in 1830 had white majorities, but they all lie on its southern edge. Three of them are in North Carolina;¹ the other one is Princess Anne, the extreme southeast county of Virginia. In that section of the state, outside of Norfolk, there has been for some reason a tendency to a relative increase of the negro population. In the last decade the negroes have relatively decreased in every county in Maryland, and in eighty-eight out of the hundred counties of Virginia. Calvert County, Maryland, six Virginia⁵ and three North Carolina counties⁶ have changed from negro to white majorities. Only two, one in Virginia south of the James,⁷ and one in northeastern North Carolina,⁸ which were white in 1900 are now black, so that in the last ten years the tobacco belt has suffered a net loss of eight counties.

In the cotton section there have been two great black belts. One extended from southern North Carolina to eastern Mississippi. The first negroes that came into that belt were not brought into it to cultivate cotton. In the first half of the eighteenth century rice and indigo were the staple products of South Carolina and Georgia. Indigo cultivation has long since ceased. The production of rice on a large scale has been transferred from South Carolina and Georgia to Louisiana. In 1900 this more eastern of the cotton black belts included a county or two in southern North Carolina, almost all of South Carolina, nearly all of central Georgia, together with the coast sections of the southern portions of that state and the larger part of its southwestern area. The central interior counties of southern Georgia remained predominantly white; they constituted the Cracker country. The cotton counties of Florida may be said to have formed a part of

¹ Pasquotank, Edgecombe, Caswell.

² Buckingham, Gloucester, James City, Louisa, Norfolk (including the cities of Norfolk and Portsmouth), and York.

³ Granville, Pitt, and Washington.

⁴ Isle of Wight.

⁵ Perquimans.

this belt, although some of them were separated from it by a narrow strip of white territory. During the last decade the territorial extent of the eastern portion of this belt has remained unaltered.

It is true that in South Carolina, if the census may be relied on, one of the most striking changes of the ten years, if not the most striking, has taken place. In that state the negroes have increased but 6.8 per cent against a white increase of 21.8 per cent. This movement is very different from that which, for many years before the war, was going on. In 1800 there was a white majority of nearly 50,000 in South Carolina. By 1820 there was a negro majority of almost 30,000, which by 1860 had increased to 120,000. Emancipation did not stop the movement. The absolute negro majority continued to increase until 1890, when it reached a maximum of nearly 227,000. In 1900 it remained substantially unchanged, but in 1910 it fell to 156,000. In the last decade the absolute increase in the white population has been many thousands more than the entire increase of white inhabitants between 1800 and 1860. It has been more than twice as great as the absolute negro increase during the last ten years, and relatively more than three times as great. It has so happened, however, that no county in South Carolina which had a black majority in 1900 now has a white.

It is rather curious that, while in North Carolina on the north the negro rate of increase has been 11.7 per cent, and in Georgia on the west, 13.7 per cent, in South Carolina it has been only 6.8 per cent. In Georgia there has been some shifting back and forth of counties. Two white counties have become negro,⁹ five negro counties white,¹⁰ and a new negro county¹¹ has been created. The more significant changes have been that Bibb County containing Macon, and Muscogee County with Columbus, although in the black belt, now have white majorities. A similar situation has developed in Norfolk County, Virginia, in Duval County, Florida, in which Jacksonville is situated, and in Shelby County, Tennessee, of which Memphis forms a part. Indeed, in the South during the last decade the whites have gained faster than the blacks in almost all the larger cities. Before 1900 there was some tendency in the opposite direction. There were in 1910 nine cities

⁹ Elbert and Newton.

¹⁰ Bibb, Bryan, Muscogee, Oconee, and Taylor.

¹¹ Crisp.

in the South Atlantic and South Central sections of the country with a population of upwards of a hundred thousand each.¹² In every one of them the whites, during the decade, increased more rapidly than the negroes. In the preceding decade, in five¹³ of them the negro rate of increase was larger than that of the whites.

Returning to the analysis of the changes in the easternmost of the great cotton belts, we find that in Florida five¹⁴ counties which were negro in 1900 are now white and three¹⁵ then white are now negro. It so happens that the changes have cut off five¹⁶ of the negro counties of the state from the black belt proper. In Alabama the whites have increased two and a third times as fast as the blacks; and the one negro county which, in 1900, did not geographically form part of the black belt—Talladega—has now a white majority. In Mississippi there has been no change in the boundaries of the eastern black belt. The hill country of central Mississippi running across the state from north to south has always separated the eastern cotton black belt from that of the Mississippi Valley and its tributaries. The latter belt had its origin while the French were still in control of Louisiana and when the negroes were doubtless brought in to work on the sugar plantations. As early as 1810, if not before, there were more negroes than whites in Louisiana. At that time it was the only subdivision of the United States in which there was a negro majority. The negro population gradually spread up both sides of the Mississippi River and along the Red River into Texas. To some extent it also followed the Arkansas.

During the last twenty years the whites of Louisiana have been gaining very rapidly upon the blacks. The state has now a white population twice as great as it had thirty years ago, while the negro increase in that time has been less than 50 per cent. In 1910 there were six¹⁷ fewer negro parishes in Louisiana than there were in 1900. It is no longer possible to voyage from the mouth of the Mississippi to Memphis without ever getting out of sight of a negro parish or county. The continuity of the Red River black belt has been broken. The negro parishes up towards the Texas

¹² Baltimore, Washington, Richmond, Louisville, Nashville, Memphis, Atlanta, Birmingham, and New Orleans.

¹³ Baltimore, Louisville, Memphis, Birmingham, and New Orleans.

¹⁴ Columbia, Duval, Jackson, Liberty, and Wakulla.

¹⁵ Citrus, Hernando, and Putnam.

¹⁶ Alachua, Putnam, Marion, Citrus, and Hernando.

¹⁷ Ascension, Franklin, Rapides, St. Helena, St. Landry, and West Carroll.

border and the neighboring counties in Texas are now cut off by white parishes from the chain of parishes and counties running up along the banks of the Mississippi. Even in Arkansas, what was in 1900 the northernmost county¹⁸ of this black belt has now a white majority, although in the state as a whole the negroes have increased during the decade slightly more rapidly than the whites. They today, however, constitute only 28 per cent of the population of the state. On the eastern bank of the Mississippi, Shelby County, Tennessee, as a result of the rapid growth of the white population of Memphis, has now a white majority. There are only two counties¹⁹ in Tennessee in which the negroes are the more numerous. West of the Appalachian Mountains, there is no county north of central Tennessee and mid-Arkansas which has more blacks than whites.

The black belts of Texas have never been important. There were two of them: one, a part of the Red River black belt of Louisiana, itself a mere subdivision of the Mississippi belt; the other, in eastern central Texas extending up from the coast. Four of the counties²⁰ in the latter belt have during the decade changed from black to white. Of the 234 counties of this vast state only eight²¹ have negro majorities. Its immense cotton crop is raised by white labor. The rice parishes of Louisiana are white. Many of the sugar parishes are of the same complexion. As has been shown, in the old tobacco section the whites are steadily gaining on the negroes. Contrary to the impression so general in slavery times, it does not appear that negro labor is necessary to the cultivation of any of the great southern staples.

Even before the abolition of slavery it was becoming evident that in those slave states which were chiefly given over to diversified agriculture as distinguished from the production of staples, slave labor could not hold its own as against the competition of free whites. The Missouri Compromise line of 36° 30' is substantially that which separates Virginia from North Carolina, Kentucky from Tennessee, Missouri from Arkansas. North of it, lie Delaware, Maryland, the Virginias, Kentucky, and Missouri, as well as the District of Columbia, in all of which slavery still existed in 1860. In 1820, the year in which Missouri was admitted

¹⁸ Mississippi.

¹⁹ Fayette and Haywood.

²⁰ Brazoria, Wharton, Grimes, and Matagorda.

²¹ Fort Bend, Gregg, Harrison, Marion, Robertson, San Jacinto, Walker, and Waller.

to the Union, the negroes constituted 35 per cent of the population of this section of the country. When, forty years afterwards, Lincoln was elected, less than one quarter of the inhabitants had negro blood in their veins. Today not one seventh of their population is of African descent. During the last decade the negro population in this part of the country remained almost stationary, its increase being but a trifle over six tenths of one per cent. In Tennessee there were fewer negroes in 1910 than there were in 1900. The change which has taken place in the rural population in some of these states, in the last half century, has been very striking. In the counties of Maryland, outside of Baltimore City and County, there are fewer negroes today than there were in 1860.

To sum up the whole matter—it is possible, though not proven, that there were in 1910 more negroes in the country than the census returned. Even if that be so, it seems certain that the whites are increasing more rapidly than the negroes in the country as a whole and in every portion of the land in which the latter are numerous enough to constitute a numerically important portion of the population.

In the most southerly group of states the whites are increasing much faster than the blacks. This rule holds generally, though not universally, good in even the most overwhelmingly black of the black counties of the black belts. It is applicable both to the rural and to the urban South. While in the far south the negro increase is absolutely considerable, and in the north is both absolutely and relatively large, in the old border slave states lying north of the cotton country the negro population is stationary or decreasing. The movements of population in those sections in which tobacco, cotton, rice, and sugar are the staple crops show that negro labor is no longer necessary to their cultivation.

However, in the country as a whole, persons of African descent are increasing and not decreasing in numbers. We have now ten millions of negro inhabitants. They are, in the New Testament sense, our neighbors. It will not be easy to bring about a working adjustment between the Golden Rule and the deep-seated convictions, instincts, or prejudices of so many American white men. But the problem can be approached free from any apprehension that the darker race will ever be, in any considerable portion of the country, numerically predominant.

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A GENERAL STRIKE IN NEW ZEALAND

For more than twelve years after the passage of the Industrial Conciliation and Arbitration Act of 1894 there were practically no strikes in New Zealand, but the Auckland tramway strike of November 14, 1906, marks the beginning of a new era, since when strikes have been quite common. A summary of strikes from year to year is given as follows:¹

1894 to 1905.....	None
1906	1
1907	12
1908	12
1909	4
1910	13
1911	21
1912-1913 (to March 31).....	35
Men fully successful in	25 cases
Employers successful in	42 "
Compromise effected in	28 "
Average duration of strikes in days (43 trivial cases not included).....	23
Total number of strikers (trivial cases not included)	3,686
Total number of men rendered idle (trivial cases not included).....	8,380
Approximate loss in wages to workmen concerned (average £33. 15s.)	£283,206
Approximate loss to employers concerned.....	160,414
Total amount of fines inflicted on strikers.....	1,917
Total amount collected to date.....	1,532

These figures indicate a good deal of dissatisfaction with the Arbitration Act, and a number of unions have cancelled their registration since the year 1908; but for all that the act seems to be still fairly popular with the workers, as is shown by the following table:²

Date	Unions of workers	
	Number of unions	Number of members
December, 1903	258	27,640
" 1904	273	30,271
" 1905	261	29,869
" 1906	274	34,978
" 1907	310	45,614
" 1908	325	49,347
" 1909	308	54,519
" 1910	308	57,091
" 1911	307	55,629
" 1912	322	60,622

¹ *Annual Report of the Department of Labour, 1913, p. xii; New Zealand Official Year-Book, 1913, p. 676.*

² *Annual Report, 1913, p. xiv; Year-Book, 1913, p. 675.*

As there are only about 71,600 union laborers in New Zealand, it appears as though the unions were well satisfied with the act, and yet figures such as these are susceptible of various interpretations. For example, Mr. J. Macgregor, always a severe critic of the act, lately said: "The Industrial Arbitration Act is the most complete failure of all our legislative experiments, and the labour leaders simply tolerate it because it serves their purpose."³ It may be noted, in passing, that as there are about 300,000 wage-earners,⁴ male and female, in New Zealand, the members of unions registered under the Arbitration Act constitute only one fifth of that number, and that the members of unions not registered number little more than a thirtieth of all wage-earners.

It is this minority of a minority which forms the nucleus of dissatisfaction with the Arbitration Act and with the whole capitalistic system. For a long time the labor leaders of New Zealand were affiliated with the Liberal party, but of late years they have shown a strong trend toward independence. At a Conference of Trades and Labour Councils held in Auckland in July, 1910, the New Zealand Labour party was formed, for the purpose of obtaining, by political and constitutional means, "the gradual public ownership of all the means of production, distribution and exchange." About the same time was formed among the miners of the West Coast the New Zealand Federation of Labour, commonly called the "Red Fed," an organization closely related to the Industrial Workers of the World, and favoring direct action, the general strike, and other syndicalist methods. After a time these two organizations lost their identity, being merged in the United Labour party of New Zealand, and the United Federation of Labour.⁵

The United Labour party was formed in April, 1912, largely through the efforts of "Professor" Walter Thomas Mills, formerly of Milwaukee, representing the executive of the Trades and Labour Councils. It was a combination of heterogeneous elements, including many socialists, and has been a rather unsuccessful attempt to combine, in one organization, the political and industrial activities of the labor movement. Hon. J. T. Paul, a prominent labor leader, was elected president, and among the members

³ *The Press* (Christchurch), July 5, 1913.

⁴ *Year-Book*, 1913, p. 131.

⁵ *The Round Table*, No. 13 (December, 1913); *The Voice of Labour*, Nov. 29, 1912.

of the executive was Mr. J. A. McCulloch, the workers' assessor on the Arbitration Court.

Shortly after this, occurred a serious strike of the Waihi gold miners, which lasted from May 13 to November 20, 1912. It was caused by a dispute between the miners, who had cancelled their registration under the Arbitration Act and had joined the United Federation of Labour, and the engine-drivers, who had seceded from the federation and registered under the act. It was, in effect, an attack upon the principle of arbitration and an exposition of the "direct action" tactics of the federation. This was a prolonged and bitter struggle, with much violence and intimidation, but finally the government sent a large force of police to keep order, and the mines were re-opened and worked by new unions registered under the Arbitration Act. The federation received a severe defeat, but immediately began preparations for a more decisive struggle, that should, if necessary, attain the dimensions of a general strike.⁶

Soon after the Waihi strike was over it was proposed to form two new organizations to take the place of the New Zealand Federation of Labour and the United Labour party, the one to represent the industrial and the other the political activities of the militant labor forces. The industrial organization was to be called the United Federation of Labour, and the political organization was to be known as the Social Democratic party. For this purpose a "Unity Congress" was held in Wellington in July, 1913, but it resulted in disunion and a permanent split in the ranks of organized labor. The more radical leaders, including Mr. W. T. Mills and other members of the United Labour party, went over to the socialists; but the more conservative leaders, including Hon. J. T. Paul, Mr. W. A. Veitch, M.P., Mr. M. J. Reardon, and about thirty per cent of the delegates, stood by the United Labour party.⁷ This minority, however, represented the attitude of the majority of union workers in New Zealand.

It was at this congress that the notorious "preamble" was presented, almost a literal copy of the one adopted at the first convention of the Industrial Workers of the World.⁸ This preamble

⁶ *Annual Report*, 1913, p. ix; *The Voice of Labour*, Nov. 15, 1912; *The Springfield Republican*, Jan. 29, 1914, article by Hugh Lusk.

⁷ *The Round Table*, No. 13 (December, 1913); *The Press*, Jan. 26, July 3, and July 12, 1913; *Practical Politics for the People*, by Hon. George Fowlds (Auckland, 1913).

⁸ Paul F. Brissenden, *The Launching of the Industrial Workers of the World* (University of California Press, 1913).

was excised, but most of the propositions are to be found scattered through the constitution of the United Federation of Labour, and the strike clauses show clearly the intention of the federation to use the general strike as occasion may demand. One of these clauses reads as follows:

The United Federation of Labour will employ the strike weapon, local, general, or national, whenever the circumstances demand such action. In the event of a lock-out or authorized strike, the full strength of the United Federation of Labour shall be at the call of the national executive in support of the section affected.⁹

After the "Unity Congress" adjourned, on July 11, the victorious party carried on an active campaign through its dual organization, especially among the miners, seamen, and wharf laborers, with whom they had already great influence. They were planning, evidently, to control the transportation service; and although they could not win the railway servants, their position was very strong, for much of New Zealand's traffic goes by sea. The employers, too, felt that a trial of strength was inevitable, and it required only a slight pretext to constitute a *casus belli*.

The trouble began in Wellington with a minor dispute concerning travelling pay between the Union Steamship Company and about a dozen members of the Shipwrights' Union, a branch of the Wellington Waterside Workers' Union, which itself was affiliated with the United Federation of Labour and had cancelled its registration under the Arbitration Act. The Shipwrights' Union went on strike on October 18. The Waterside Workers decided to call a special "stop-work" meeting on the wharf at eight o'clock on the morning of October 22 to consider the grievances of the shipwrights. The "stop-work" meeting was held, as announced, and lasted about two hours. When the men went back to work some of them found other union men working on their jobs, whereupon the executive of the union demanded that the late comers be reinstated forthwith. The shipping companies refused to do this, and the strike was called. The control of the strike was then placed in the hands of the executive of the United Federation of Labour, as provided in the constitution.¹⁰

In support of their refusal to obey the dictates of the union, the

⁹ *The Round Table*, Dec., 1913.

¹⁰ *The Press* (Christchurch), Oct. 24, 29, Dec. 24, 1913. *The Dominion* (Wellington), Nov. 8.

employers took the ground that the agreement under which the men had been working had been broken, and was therefore void. They cited Clause 28, which provided that in case of dispute work was not to be stopped, but the dispute was to be referred to a special committee, and afterwards, if necessary, to higher authorities. The employers claimed also that as the union was not registered under the Arbitration Act the agreement had no binding force. They objected, also, to dealing with the federation, as that organization was in principle opposed to agreements and as some of the leaders, notably the secretary, Mr. P. Hickey, had often used strong language in condemning them. At a meeting of representatives of the shipowners and the Harbour Board on October 25, it was resolved that the employers could not permit resumption of work under the late agreement, but would enter into a new agreement embodying practically the same terms, but registered under the Arbitration Act. It was also resolved to make urgent representations to the government of the necessity for making adequate protection of life and property on and around the wharves.¹¹

At the instance of the Prime Minister, Hon. W. F. Massey, a conference was held on October 28, at which the employers made six alternative proposals, as follows:

- (1) Registration of the agreement under the Arbitration Act.
- (2) Registration of the union under the act.
- (3) Reinstatement of the national agreement with provision for a penalty of £1000 for a breach of Clause 28.
- (4) The same condition for a local agreement with £500 penalty.
- (5) Decision of the dispute by a ballot of the men taken under government supervision.
- (6) The whole matter to be submitted to Sir Joshua Williams as arbitrator.¹²

All of these proposals were rejected by the federation. The employers met again on Saturday, November 1, and agreed to withdraw all their offers except the proposal that the agreement be registered under the Arbitration Act. *The Press*, a government organ, thus expresses the view of the employers:

It is intolerable that the business of a great port like Wellington shall remain under the control of any body of lawless men. However much one may regret the necessity for any serious trouble that may follow the assertion of the community's rights, the public as a whole has learned that, as we have often urged, it will be morally and

¹¹ *The Press*, Oct. 27, 1913.

¹² *The Press*, Oct. 30; Dec. 24, 1913.

economically cheaper to resist syndicalist domination than to submit to it.¹³

In opposition to the stand of the employers, the workers, while admitting a minor breach of agreement, claimed that this did not involve the abrogation of the agreement. They refused to have anything to do with the Arbitration Court, and demanded unconditional reinstatement. They called the affair a lockout, rather than a strike, and designated the employers' actions as "sheer pin-pricking." They claimed that the employers had no right to compel them to register, as the act itself did not do so but was merely a permissive statute. Mass meetings were held; violent speeches were made by some of the labor leaders; there was some violence and much intimidation; and for some days the wharves were in the hands of the strikers and practically all the shipping was tied up.

On November 2, a deputation of representatives of the federation, accompanied by Sir Joseph Ward, leader of the opposition, Hon. J. T. Paul, president of the United Labour party, and other prominent labor leaders, waited upon Mr. Massey to ask him to call another conference. On November 3 and 4 it was held, and the workers offered to resume work on the basis of a new agreement and a penalty for stoppage of work; but the employers now refused to compromise, and would agree to nothing less than registration under the Arbitration Act.¹⁴

The attitude of the government was very firm and it was determined to maintain order at any cost. On October 25 the commissioner of police issued a call for volunteers to enroll as special constables. The call received immediate response from clerks, civil servants, and other young men of the cities, but especially from the country people; and presently hundreds of mounted farmers were riding toward Wellington to enroll as special constables and to break the strike by acting as volunteer wharf laborers. The farmers were threatened with serious losses because of the stoppage of transportation at the beginning of summer, and were determined to protect themselves to the best of their ability, following the example of the "Free Labor Brigade" of Sweden, which did so much to break the general strike of 1909.¹⁵

The strike soon spread to Auckland, Lyttelton, Dunedin and

¹³ *The Press*, Oct. 30, 1913.

¹⁴ *The Evening Post* (Wellington), Nov. 3, 1913.

¹⁵ Sir Henry Clay, *Syndicalism and Labour*, ch. IV.

other seaports, where the course of events was very similar to that in Wellington. By an odd coincidence, a strike of coal miners at Huntly occurred on October 20, two days before the trouble broke out at Wellington. On October 28 some 300 wharf laborers went on strike at Auckland, where presently the trouble was more serious than at Wellington. An Auckland coal dealer well expressed the temper of employers in every part of the Dominion when he said:

The only thing to do now is to make a fight of it to the bitter end, no matter how long it lasts—three, or even six months. . . . This is the only way to get peace for a year or two. We must fight the strikers with their own weapons.¹⁶

By the end of October there were over 5,000 watersiders on strike in the various ports, while disorders were increasing and disturbance to trade was becoming daily more serious; but at the same time large bodies of special constables were encamped on the outskirts of several towns, waiting until they had sufficient force to take possession of the wharves. At Wellington, on November 5, a thousand special police rode down to the railway wharf from their camp at Mount Cook to protect a shipment of race-horses, and on the way sustained a fierce attack from a mob of strikers and their sympathizers throwing stones, bricks, and other missiles. The police charged the mob several times, and the affray was very serious, resulting in about thirty casualties. On the next day the police once more surrounded the wharves; there was no further resistance, and regular work was begun by a new union registered under the Arbitration Act, assisted by some of the seamen. The new union began with 47 members, but before the end of the strike more than 2,000 were enrolled, chiefly farmers.

The course of events was very similar at Auckland, where, on November 8, a force of over 1,000 police occupied the waterfront. As a protest against the use of the special police, the federation ordered a general strike in Auckland, and on Monday, November 10, the strike leaders claimed that 14 unions, involving 7,500 workers, were idle. Later the seamen also went on strike, bringing the total up to 8,000 or more. At this time the following telegram was sent to all unions in Wellington, Christchurch, and Dunedin:

In view of the gigantic conspiracy to smash organized labour and the life and death struggle throughout New Zealand, in order to preserve unionism against armed blacklegism, we call upon your

¹⁶ *The Press*, Oct. 29, 1913.

union to make a common cause by refusing to work till the armed scabs leave the city. Auckland is magnificently solid. Will you follow? Labour's defeat means labour's annihilation.¹⁷

The response to the call was by no means encouraging. Only the drivers came out in Wellington. The strike was at no time very serious in Dunedin, where the regular police were able to keep order. The port of Lyttelton was closed until November 18, when work was resumed with the members of a new union under the protection of a large force of special constables. The strike was more general on the West Coast, where the mines and sawmills were closed for many weeks and industry was at a standstill.

The following estimate of the number of unionists and strikers was given by the *Wellington Evening Post* on November 20, and is probably fairly accurate:

	Unions	Membership
Under the Arbitration Act.....	322	60,622
Under the Trades' Union Act, and not registered	24	11,000
Total	346	71,622

Under the Arbitration Act

Striking Unions	18
Membership	5,000
Unions at work	304
Membership	55,622

Number of Strikers

Seamen	2,000
Miners	4,000
Watersiders	5,000
Other unions	5,000
Total	16,000

From these figures it is evident that the strikers constituted a small minority of all union workers. Even in Auckland only 15 unions out of 55 went on strike. Because of the large bodies of special constables at all important points there was little violence after the early outbreaks, and merely a "strike of folded arms," which practically failed within a week of the general call. Presently it was found that the strike funds were running low, and some unions were ordered back to work that they might contribute to the support of the rest. On November 23 the general strike was called off at Auckland, leaving only the transportation section

¹⁷ *The Dominion*, Nov. 11, 1913; *The New Zealand Herald*, Dec. 20, 1913.

still out. Meanwhile the trouble had spread to Australia, for the watersiders of Sydney refused to handle "black" cargo from New Zealand, and the cargo of several ships was handled by the Union Company's office staff.

The watersiders' strike also might have been called off about this time if the federation had not still expected to effect a compromise with the employers. In this hope they were encouraged by the attitude of Sir Joseph Ward in Parliament, who at first proposed special legislation and afterwards wished to refer the dispute to Sir Joshua Williams.¹⁸ Hon. W. M. Hughes of Sydney, formerly Attorney General in the Fisher cabinet, offered his services as mediator and made the same suggestion. These overtures were taken as a confession of defeat, and the employers refused to recede from their original position.

The seamen's strike was officially declared off on December 19, and on the same day it was decided to call off the strike for all other workers, except the miners, as from Saturday, December 20. The seamen were to renew their agreement for a period of three years, the Auckland branch to remain registered and the Wellington and Dunedin branches to register under the Arbitration Act.¹⁹ The watersiders at all the ports immediately flocked back to the wharves, asking to be enrolled in the new unions, all of which were registered. Work at the Huntly mine was resumed on January 6, 1914, with a new union of over 100 members, under the protection of the police, and on January 10 the old unionists voted to join the new union. A few days later the workers in the state mine agreed to go back under the act, as also did the miners at Blackball, and the great strike was ended. As a correspondent wrote:

The Federation of Labour leaders have been completely defeated. Not only has their plan of a general strike entirely broken down, but their root idea of keeping outside of the Arbitration Act so as to be at liberty to strike without incurring penalties has been completely checkmated.²⁰

Among the causes which brought about the failure of the strike, the following are deserving of special mention: first, the strength of the employers' position and their determination to make a united stand against the federation; second, the firmness of the government in preventing violence; third, the uprising of the farmers; and fourth, divisions among the working class. The United Labour

¹⁸ *Parliamentary Debates*, Nov. 11, Nov. 28, 1913.

¹⁹ *The New Zealand Herald*, Dec. 20, 1913.

²⁰ *The Australasian* (Melbourne), Jan. 3, 1914, article by "Pakeha."

party, at first silent, issued a manifesto against the strike on November 14, and later drew up a detailed statement giving a review of the strike and condemning the revolutionary policy of the federation.²¹ Hon. J. Barr was very outspoken in his opinions, putting the federation wholly in the wrong, criticising its poor leadership and unwise methods, and declaring against the breaking of agreements whether registered under the Arbitration Act or not.²² Hon. J. A. Millar, one of the fathers of the Arbitration Act, made a telling speech in Parliament in which he declared that "a strike has never been of any benefit to the workingman and never will be."²³ On every side the strike was condemned as an egregious blunder; the Red Fed was completely discredited; and syndicalism in New Zealand received a blow from which it will not soon recover.

The Massey government has gained great credit for its firmness in meeting a difficult and threatening situation. Not only was disorder and violence put down, but a number of the federation leaders were arrested, convicted of "inciting persons to commit a breach of the peace," and either fined or imprisoned. On the other hand, Sir Joseph Ward has lost prestige, and the Liberal party seems to be on the verge of disintegration. The by-election at Lyttelton, held in December, because of the death of the Liberal member, Mr. George Laurenson, appears to show the trend of events in the political field. In the first ballot Mr. J. McCombs, Social Democrat, received 2,075 votes, Mr. J. Miller, the Government candidate, received 1,560 votes, while the Liberal candidate, Mr. J. B. Laurenson, received only 922 votes. In the second ballot Mr. McCombs was elected over Mr. Miller by a majority of 226 votes. The socialists were elated at the success of their candidate, and promised to take a further revenge at the general election in December of the present year. There will, of course, be a fierce struggle between the Social Democratic party and the United Labour party, which will surely be a source of weakness to the cause of labor and should prevent any notable gains in the coming election. But in any case the policy of "direct action" is for the time discredited and "political action" once more takes the lead.

An important amendment to the Arbitration Act, the Labour Disputes Investigation bill, was passed on December 15. It involves an application of the principle of the Canadian law to unions

²¹ *The Press*, Nov. 15 and Dec. 24, 1913.

²² *Ibid.*, Nov. 17, 1913; *The Oamaru Mail*, Dec. 31, 1913.

²³ *Parliamentary Debates*, Dec. 13, 1913.

and workers not registered under the Arbitration Act. Henceforth, unions that have cancelled their registration will not be altogether free to strike, but only after complying with the provisions of the new law as to notice, secret ballot, investigation, and publicity.²⁴ If this law had been in effect earlier in the year, it is highly probable that the watersiders' strike would not have occurred.

As to the present status of the Arbitration Act, general belief is that it has been greatly strengthened, yet whether it has been strengthened in the affections of the wage-earners is very doubtful. Formerly there was only one-sided compulsion, and the act was used by the workers as a weapon against the employers; now the weapon is in the hands of the employers, and the workers are being compelled to make enforceable agreements under the act. Naturally, the defeated strikers resent the action of the employers in driving them into the arbitration fold and making them join "scab" unions, and will surely break out again on the first favorable opportunity. Meanwhile, they will give more attention to "political action," and it will be interesting to see what they can accomplish in the general election.

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²⁴ *Parliamentary Debates*, Dec. 12, 1913, pp. 1075-1139.

PRESENT PROBLEMS IN CANADIAN BANKING

It may fairly be said that the recent revision of the Canadian bank act has tended to conserve sound principles in banking. Sometimes, in a democracy, the power of legislation falls into the hands of politicians who confessedly pay no attention to the work of experts, but judge a measure by its power to gain votes. Fortunately for Canada the act was piloted through committee and Parliament by a finance minister who has had wide experience in the world of finance, and who did not hesitate to call in counsel such experts as Mr. Forgan of Chicago, Sir Edmund Walker of Toronto, and Mr. Pease of Montreal, as well as many other financiers of wide training and experience. Although the measure was bitterly assailed in the House of Commons by "cheap money" advocates, it became law without the incorporation of many ill-considered amendments which were proposed during the debate. In a previous number of the REVIEW¹ the changes in connection with note issues and inspection were considered. It is proposed in this article, therefore, to deal with several pressing problems that have arisen in Canadian banking during the past few years, but which have received scarcely adequate attention owing to the almost exclusive interest shown in the questions of note issue and inspection.

It is a common charge against the banks that they are making excessive profits, and that the public is paying too much to have its banking business done. Particularly is this charge made in the West, with the result that active measures—which will shortly be described—are being taken there to provide cheaper money for farmers. To a certain extent the banks themselves are to blame for the spread of this opinion. It is only natural, perhaps, that they have boasted of their prosperity, especially when seeking to attract new capital. From a casual glance at the balance sheet of any Canadian bank it would appear, too, that they are making large profits. The net profits of the Canadian Bank of Commerce for 1912, for example, amounted to \$2,800,000 on a capital of \$15,000,000. This is somewhat more than 18 per cent on the capital; but if the surplus also is included the profits must then be computed on \$27,500,000, which would work out to a little over 10 per cent. Indeed, the only fair method of estimating the rate of profits is to include with the capital the surplus or rest fund.

¹ Volume III, no. 4 (December, 1913).

Sir Edmund Walker, president of the Canadian Bank of Commerce, is not content, however, with that statement of the case. In an attempt to show that banks were not making excessive profits, as compared with other corporations, he had prepared one hundred balance sheets of corporations that are in close business relations with the Bank of Commerce. The statements covered the earnings of corporations in 49 different industries, ranging from cracker factories to coal mines and representing a capital investment of \$76,000,000. These concerns were of average, normal prosperity, and were not hand-picked to prove a special point. In each case it was found that the profits earned were higher than the average secured by the banks, although in some instances they were approximately the same. Sir Edmund Walker's analysis of banking profits showed further that the earnings of all Canadian banks, on their combined capital and surplus, would average a little more than 9 per cent. The percentage of the dividends on the market price of the stock is between 5 and $5\frac{1}{2}$ per cent.

The matter may be considered also from another standpoint. The profits earned on the entire assets which are controlled by the banks amount to only 1.20 per cent; and, in the case of individual banks, range all the way from .93 to 1.59 per cent. If it be granted that the capital and surplus of a bank could earn 6 per cent in any other investment business, then it follows that the profits earned on the other assets which are controlled by a bank, by virtue of the peculiar features of the banking business, would average only about .25 or .30 per cent. That is to say, banks make a little more than one quarter of one per cent on the assets they control outside of their own capital. These facts are presented in Table 1 on the following page—"capital" including ordinary capital, surplus, and undivided profits.

In face of the facts presented it cannot justly be said that the banks are making excessive profits. Indeed, the profits are not at present such as to attract any great volume of capital into the banking field, through the formation of new banks. What Canada needs more than anything else just now is more capital; and the federal government, as well as the provincial legislatures, would be well advised in refraining from passing legislation that would in any way curtail the growth and usefulness of the banks of the country.

The Canadian West thinks it has a real grievance against the banks in respect to the difficulty of securing loans, and espe-

TABLE I

Banks	Profit on entire assets	Deduct 6 per cent and profits are	Earnings on capital	Earnings on market value of stock	Dividends (1912) on market price of stock
Commerce	1.14	.45	10.15	8.64	5.07
Dominion	1.14	.25	7.84	7.77	6.03
Hamilton	1.01	.18	7.41	8.10	5.39
Hochelaga	1.57	.41	7.98	9.61	4.49
Imperial	1.36	.30	7.83	7.37	5.29
Metropolitan	1.23	.18	7.07	8.48	5.03
Montreal	1.06	.23	7.44	6.35	4.84
Merchants	1.59	.64	10.13	10.02	5.05
Molsons	1.29	.30	7.76	8.27	5.31
Nationale	1.35	.39	8.53	11.84	5.65
Nova Scotia	1.36	.22	7.18	7.40	5.05
Ottawa	1.26	.26	7.74	8.01	5.62
Quebec	1.33	.30	7.82	8.93	5.30
Royal	.93	.10	6.19	6.41	5.33
Standard	1.12	.29	6.22	8.06	5.51
Toronto	1.41	.27	7.56	8.00	5.74
Union	1.02	.29	8.44	9.26	5.30

cially in connection with the interest charged. The act permits banks to charge 7 per cent on loans; and no higher rate is recoverable at law. As a matter of fact, however, interest rates on bank loans in the West range all the way from 8 to 12 per cent, and in some instances, on small amounts, the rate is higher. Some banks have charged as much as \$1 a month on a loan of \$25. It has been estimated, however, that it costs, on the average, 2 per cent more to carry on the business of banking in the West than in the East. This is due to the fact that salaries, rents, etc., are much higher in the West, and the risks incurred are greater. Bankers insist that if the legal interest rate were enforced the majority of bank branches in the West would have to be closed.

Mortgage loan companies receive, on loans running for a period of years, a rate ranging from 8 to 9 per cent; and the preliminary expenses entailed make the loan $1\frac{1}{2}$ to 2 per cent higher. Implement dealers charge 12 per cent on notes; and, when it is remembered that implements sold on credit bring high prices, it can readily be understood that the farmer pays a very high price for his tools and machinery—and, in fact, for all supplies bought on a credit basis. A review of the whole situation shows that the banks should not be singled out for criticism. Indeed, the fundamental credit problem in the West is concerned with cheaper money for farm loans—a matter that touches the mortgage com-

panies and not the banks, for the latter institutions are prevented by law from making loans directly on farm mortgages.

During the summer of 1913 several members of a commission, appointed by the government of Saskatchewan, toured Europe in search of practical suggestions for establishing a system of rural coöperative credit in that province. As a result of their investigations, both in Europe and within the province itself, a plan was formulated, and presented to the government, providing for the creation of land mortgage associations in Saskatchewan on the model of the *Landschaften* of Germany. Without meeting any serious opposition in the legislature, the Saskatchewan Coöperative Land Mortgage Association Act was passed, which embodies the main suggestions of the commission. As yet, however, nothing has been done toward putting the scheme into practical operation.

Before outlining the main features of the proposed mortgage associations, it will be well to present the net results secured in the investigation of local conditions in the province. The commissioners conferred with bankers, farmers, ranchers, and business men at many important centers; and endeavored to get first-hand information on crucial points. The results of their investigation, gathered from the voluminous mass of material secured, may be summarized as follows:

TABLE 2

District visited	Is district prosperous?	Per cent of land mortgaged	Is it difficult to get loans	Average rate of interest	Are farmers willing to coöperate?
Weyburn	Yes	50-60	No	9-14	Yes
Oxbow	Yes	50	No	8, 9, 10	If aided, yes
Swift Current	Yes	75	Yes, very	8, 9	Yes
Moose Jaw	Yes	90	Yes, very	8	Yes
Wolseley	Yes	90	Yes, very	7, 8, 8½	Yes, if aided
Fillmore	Fairly so	99	Yes	9	No
Saskatoon	Yes	90	Yes	8-10	Yes, if aided
Govan	No	90	Yes, this y'r	8, 9, 10	Yes
Scott	No	95-100	Impossible	9	Yes, very
Melville	No	60-90	Impossible	8, 9, 10	No
Yorkton	No	No return	Yes, very	9-10	Yes, if aided
Prince Albert	Yes	20-60	Yes, very	8-10	Yes
Melfort	Yes	70-90	Difficult	8, 9, 10	Yes
N. Battleford	Yes	90	Yes	9	Yes, if aided
Regina	Fairly so	60-90	Yes, very	8	Yes, very

The following interesting facts are made clear by this investigation: (1) It is in the more prosperous districts that the farmers are willing to form credit associations; in other places some form

of government aid has been sought. (2) On the whole there is a well-defined demand throughout the province for some form of credit association that will supply cheaper capital to the farmer. (3) It is surprising to note, too, the extent to which land is mortgaged in the West—in some districts practically every farm is encumbered. (4) And finally, interest rates on mortgage loans are very high, in comparison with rates charged in the East.

The plan presented by the commissioners to the government may be thus outlined. Legislation shall be enacted to provide for the establishment of a coöperative mortgage association for the raising of funds on mortgage bonds, and the granting of loans to farmers on mortgage security for approved agricultural productive improvements only. The organization shall consist of an executive committee of at least three members, to be appointed by the government; and an advisory board of fifteen members, to be appointed in part by the association acting through its annual general meeting, and in part by such organizations in the province as exist to promote agricultural betterment. The conditions of membership of local associations are as follows:

(1) The individual members are to be borrowers, admitted by vote of the local association, and approved by the central commission. An entrance fee of \$10 will be charged.

(2) Each local association shall consist of at least ten members with a combined mortgage loan of at least \$5,000, united on the basis of joint and several liability. The liability, however, shall be limited to an amount not greater than 50 per cent of the loan granted to each member.

(3) The liability of the several local associations to the parent body shall be in the proportion that the aggregates of the mortgage loans of the local associations bear to the whole.

(4) All mortgage loans shall be issued on an amortization basis to cover a period of not less than fifteen, and not more than thirty-five years; with the option given the borrower, upon three months' notice or a bonus of three months' interest paid, of paying the whole or any part of the balance due in excess of the stipulated payment on any regular day of payment before the final payment.

(5) The funds required by the association, for loans to its members, shall be raised on mortgage bonds issued by the association, and fully guaranteed by the provincial government; the amount of such government guaranteed bonds to be determined annually by agreement between the provincial government and the association.

(6) The loans shall be limited to 40 per cent of the central commission's valuation of the property to be mortgaged.

(7) The association shall advance its funds to borrowers at a rate of interest which shall include only the cost to the association of the money itself, the expenses of administration, and provision for the

creation of a reserve fund to provide such security and guarantee for the future issue of mortgage bonds as will in the course of time render government guarantees unnecessary, and place the association on a purely self-supporting basis.

(8) The association shall establish, as soon after its foundation as is feasible, a bank with headquarters within the province, to conduct a regular banking business, both through branches of its own and, wherever possible, with and through the locals of the association. It is expected that assistance will be rendered by the provincial government, at the time of the establishment of the bank, so that the association will be able to control it in the interests of agricultural industry.

As might be expected, the plan has been subjected to much adverse criticism, especially in the East; but something may reasonably be expected from it. It should be noted that the money is not to be raised on the credit of the province alone; it is specifically recommended that the funds shall be raised on mortgage bonds issued by the association. Bonds based on first mortgages, for loans not exceeding 40 per cent of the value of the farms, will have sufficient security independent of the government guarantee. If not, what security is behind the \$65,000,000 already loaned in the province by private mortgage companies? Moreover, the provincial guarantee itself is worth something simply because the legislature has power to tax those same lands, as Saskatchewan is an essentially agricultural province. The government guarantee should certainly enable the mortgage association to float its bonds in the London market at a fair rate of interest—considerably lower than what is charged at present by land mortgage companies.

The measure has been attacked on the ground that it makes the local associations of ten members jointly and severally liable for mortgage loans. It is said that, under these conditions, the businesslike, progressive farmer will have to share any loss arising from the inefficiency of others. But it should be observed that the liability assumed, in each case, is not an unlimited one, being no greater than 50 per cent of the farmer's loan; and, in the second place, seeing that the members of a local group are to approve each other, and that the group is to be formed by mutual consent, the progressive members have every opportunity to exclude undesirables.

It has been contended that coöperative mortgage associations have been successful only where there is a large lending, as well as a large borrowing, class. While this is usually the case, there are exceptions. Danish land mortgage bonds, for instance, are issued in Berlin at the same time as in Copenhagen, and they find

a ready market in Germany. Many European governments, too, grant substantial assistance to rural coöperative credit societies, in some instances guaranteeing their bonds. These features of the problem, however, are so well known that it is not necessary to dwell upon them.

The proposal to establish a bank to take care of the business of the mortgage associations is a question which should receive very careful consideration before the project is put into effect. At present the chartered banks have a network of branches spread throughout the prairie provinces. They have gone into towns and villages where there was no possibility of profits for several years; but they have been content to wait. They have afforded an abundance of credit in the past; and it is difficult to see wherein a farmers' organization could more effectively serve the community. Moreover, it should be borne in mind that a bank cannot begin business in Canada with a subscribed capital less than \$500,000, of which at least \$250,000 must be paid up. It appears, however, that the mortgage associations expect the government to aid them in starting the institution. In that case, not only must the government assume double liability for all the stock it will hold, but it must be responsible also, at least in part, for directing the general banking policy of the institution. If the government should decide to take stock in the bank, it will be the first time in Canada's history that a government has interfered in such business. The dangers inherent in such a situation need not be dwelt upon.

The specific charges made against the chartered banks, in their relations with the farmers, are as follows:

- (1) They have frequently sought to dominate the policy of those businesses to which they have advanced credit.
- (2) They have sought rather to pay dividends, and to support expensive offices, than to afford credit to customers at reasonable rates.
- (3) They are not controlled within the province (Saskatchewan), and in a time of stress when credit facilities are most required the banks withdraw them from the western provinces.
- (4) Their charges for transferring funds are unreasonably high.
- (5) The rate of interest on loans is unreasonably large.
- (6) The interest allowed on deposits, 3 per cent, is too low.
- (7) Their sympathies lie rather with the commercial, than with the agricultural, class.

To these charges the bankers give an emphatic denial. They maintain that credit has been granted, if anything, too freely in the West; and that the farmers have not, in turn, sufficiently con-

sidered the needs of the banks. Experience goes to show that when crops are sold implement dealers are first paid; then interest and principal on mortgages are met; and after that, merchants' accounts are settled. The bank is paid last, because farmers appear to think that these institutions are not in need of the money. In a word, bankers insist that they have dealt far more liberally with the West than the critics and farmers in the prairie provinces have dealt with them. A prominent banker has stated:

With regard to the complaints made against the banks, that they have sought to dominate the policy of those borrowing from them, bankers have always considered that it was part of their duty to act as counsellors to their customers; and that when a man has gone out of his way in investing money, while he is still a borrower, it is the duty of his banker to remonstrate with him. Moreover, records show that the banks have not withdrawn credit facilities from the Western provinces. That the sympathies of the banks lie rather with the commercial than with the agricultural class, is an absolutely erroneous statement. Bank directors and the head officers recognize that they have a duty to all classes of the community; and they endeavor to fulfil it, as nearly as may be, to the best of their ability.

Canadian banks have been for many years in the foreign field; and they are yearly extending their business abroad. American banks have hitherto been unable to secure a share of this business; but it may be expected that under the Glass currency act they will establish branches abroad. Of course there are difficulties to be faced, the chief of which are that in the most promising fields—Central and South America—London is favored as a clearing center. In these countries New York counts to only a small degree. The denominations used in exchange transactions are in sterling, English money, and it would not be possible to do business except through that medium. This factor may appear to be a small one, because American banks have men trained to do business in pounds and shillings; and they could certainly conduct business in that currency. The real point, however, is that the banks already established are not only accustomed to doing their entire business through London, but they have been on the ground so long that they have an established clientele, and it would be hard work getting business away from them.

Canadian banks, as has been said, have been in the field for years. At the end of 1912 they had thirteen branches in Newfoundland, and sixty-two branches elsewhere—principally in the United States, Mexico, Cuba, and the West Indies. This has been of great benefit in extending Canada's foreign trade. This

development in Canadian banking, however, has not been free from attack. It is charged that Canadian capital has been withdrawn from the country for foreign investment; and some advocate that such bank funds as are employed abroad should be taxed. An attempt was made during the revision of the bank act in 1913 to so tax banks doing business outside of Canada; but the suggestion was voted down. Nothing, indeed, could be gained from such a procedure; for the business that the banks carry on abroad is to the direct advantage of Canada. The Royal Bank went into Cuba in 1899, and now has nineteen branches there. In 1901 Canada's imports from Cuba amounted to \$343,374, and her exports to \$578,013. The corresponding figures in 1912 were \$1,770,874 and \$2,096,778 respectively. While, of course, Canadian banks cannot be credited directly with this gain, they have nevertheless done important work in building up this trade.

Moreover, Canadian banking abroad has not been fostered chiefly by Canadian capital. On the contrary, deposits in bank branches in Cuba and the West Indies are in excess of the loans made. It will thus be seen that it is to the entire advantage of Canada to encourage the establishment of branches of banks in Central and South America and in the West Indies. It is estimated that \$200,000,000 of American capital has been invested in Cuba alone; but it is Canadian banks that have profited by the consequent growth of trade. In no way does this foreign business work to the detriment of Canada. Canadian branch banks in Cuba and the West Indies have money on call in New York; and, if necessary, it could be made available in a period of financial pressure in Canada. In a word, the business has been most profitable for Canada and her banks; so much so that an American syndicate offered the Royal Bank \$1,000,000 for its good-will in the West Indies, if that bank would retire from the Islands. The investment of Canadian capital in various enterprises in Mexico and South America, which has been so bitterly criticised of late in Canada, is an entirely different matter. The very great decline during 1913 in the securities of Mexican and South American corporations, engineered and financed by Canadians, may seem to prove that the more stable conditions in this country make Canada a more profitable field, in the long run, for investment. But that is an entirely private matter, and a subject quite distinct from the extension of Canadian banking abroad.

The opinion has been industriously spread by the radical ele-

ment in Canada that the banks form a huge "money trust," and are working together for the exploitation of the country. It is maintained that the process has been furthered by recent bank amalgamations. This problem occupied a good deal of attention during the last revision of the act, and is therefore worth considering.

It is perfectly true, of course, that the Canadian banking system is made up of institutions of relatively large capital. That is seen by a glance at the following table, which shows the amount of capital and surplus of the leading banks.

TABLE 3

Bank	Capital	Rest or surplus
Montreal	\$16,000,000	\$16,000,000
Commerce	15,000,000	12,500,000
Royal	11,560,000	12,560,000
Imperial	6,809,134	7,000,000
Nova Scotia	5,957,320	10,830,248
Dominion	5,356,227	6,356,227
Toronto	5,000,000	6,000,000

That the tendency in recent years has been to reduce the number of banks and to decrease their size cannot be disputed. In several cases the size of the bank has been increased by amalgamating with it weaker institutions. Most bankers agree that it is a good thing to remove a weak bank by merging it into a stronger one. They have not hesitated to put their theories into practice. The Bank of Montreal has absorbed three; the Canadian Bank of Commerce, four; the Bank of Nova Scotia, two; and the Royal Bank, two. These consolidations have been formed with the object, also, of securing a strong chain of banks throughout the whole country. For example, in the recent merger of the Traders Bank and the Royal Bank, the former had branches confined for the most part to Ontario and the Middle West, while the Royal was strongly represented in the Maritime Provinces and on the Pacific Coast. The union of these banks formed an institution with branches widely scattered throughout the length and breadth of Canada. The branches were duplicated at fifteen points only; but as many of these points are commercial centers, already well supplied with banks, it is hardly possible that competition will be lessened by the union of these two institutions.

Now, in spite of the criticism aroused by these mergers, it is noteworthy that the Canadian banks have expanded in all directions in recent years. This applies not only to the increase of their

capital, but to the increased facilities for banking offered to the people. This extension of banking has been due to the rapid development of the country, and to the large capital investments that have been made. The number of new branches that have been established in all directions is certainly remarkable; and the majority of these branches have quickly justified themselves.

But, so far from its being true that the banks have formed any sort of trust, many parts of the Dominion seem to have even an excess of banking accommodation. The banks themselves have felt the pressure of this competition and are not rushing into new territory as they did a year or two ago. It is desirable that banks, before branching out, should thoroughly satisfy themselves of the need of additional banking facilities in the new districts; otherwise, as has been said, undue competition is the result. This raises discount rates in the end, and causes the banks to undertake undesirable business. The danger at the present time lies in the undue multiplication of branch banks, rather than the reverse. If the banks, especially in the West, would work more in harmony with one another, more reasonable banking rates and facilities for customers might result.

In order that the public interests may be safeguarded, however, the act of 1913 provides that no agreement by a bank to sell the whole or any portion of its assets to another bank, can be made until the minister of finance first gives his consent. Mr. McLeod, late general manager of the Bank of Nova Scotia, as well as several other critics, maintained that the assent of Parliament to a proposed merger should also be secured; but the precautions taken would seem to be sufficient. Making the matter public, with discussion in Parliament, would manifestly prejudice the position of the bank selling out its interests. An attempt would be made at once by the other banks to get part of its business; and it would then be extremely doubtful whether the agreement could be put through. And there might be good reasons why it ought to be put through. If a bank gets into a bad position, it is sometimes necessary that it should be absorbed by some other bank, thus saving the public from the shock to business that would arise from a bank failure. This point should not be overlooked; for it is important in considering the question of consolidation.

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THE PROPOSED GERMAN PETROLEUM MONOPOLY

The German government's plan to create a monopoly which shall displace the subsidiaries of the Standard Oil Company in the control of the petroleum trade of the Empire is a matter of the greatest importance to the United States, because kerosene constitutes one of our chief exports, and because Germany has hitherto been one of the chief buyers of this commodity. Many have regarded the project as a direct attack on American interests, and it has even been stated in the press that our government has objected to the proposed discrimination against an American product.¹ In reality, however, neither our State Department nor our exporters have any ground for objection. If we examine the plans for the new monopoly, we find that there is no intention to exclude American kerosene as such, nor even the product of the Standard Oil Company, from the market; and, if we examine the course of events which has brought about the demand for government intervention, we realize that the desire to break the absolute control which a foreign trust has established over the import and sale of a commodity of immense importance to the middle and lower classes is perfectly justifiable. The history of the petroleum trade in the Fatherland has shown that such intervention alone can do away with the domination of the Standard Oil Company, and assure to the poorer consumer reasonable prices for his chief source of artificial light.

Refined petroleum was first shipped to Germany from America packed in barrels on board sailing vessels, and was distributed by river or railway to the numerous inland wholesale dealers. For many years the firms of F. E. Schütte in Bremen and W. A. Riedemann in Geestemünde were the leading importers, because of their superior equipment and organization. They bought their oil entirely from the Standard Oil Company, which had practically a monopoly of the supply before the development of the Austrian and Russian wells.² In 1877 they handled 213,000 tons of kerosene,³ which they sent to all parts of Germany and to Austria and

¹ See the *Philadelphia Public Ledger*, March 1, 1914.

² This account of the events leading to the establishment of the Standard Oil Company's monopoly is based chiefly on: Rudolf Schneider, *Der Petroleumhandel* (Zeitschrift für die gesamte Staatswissenschaft, Ergänzungsheft III, 1902), pp. 60-94; Oswald Brackel and Joseph Lels, *Der dreissigjährige Petroleumkrieg* (Berlin, 1903); and Georg Spies, *Zwei Denkschriften zum Petroleum-Monopol* (Berlin, Puttkammer & Mühlbrecht, 1913).

³ Schneider, *op. cit.*, p. 62.

Switzerland as well. During the decade following this date, they were engaged in hot competition with importers in Hamburg, who had a great advantage in the cheap transportation into the interior afforded by the Elbe. Finding that they were rapidly losing ground, Riedemann and Schütte determined on a daring experiment, by which they hoped to reduce their ocean freight costs, and thus to neutralize their rivals' geographical advantage. They had one of their sailing vessels fitted with tanks into which the petroleum could be pumped without being put in barrels. Such ships were already used by a Russian firm on the Caspian Sea, but no one had ever attempted to send one across the ocean. In spite of all predictions of disaster, however, the experiment was a complete success, and the Bremen firms immediately had fifteen large tank-steamers built, as well as reservoirs to take the place of the warehouses where they had formerly stored their barrels. By 1889 they had regained their leading position.⁴

Their competitors were not slow to take advantage of their example. Firms at the Elbe and Rhine ports secured not only ocean tank-steamers but river tank-steamers, which made it possible for them to send oil far into the interior more cheaply than the Bremen importers, relying mainly on the railways, could hope to do. In the year 1890-1891 Riedemann and Schütte had again fallen behind. Their place was taken by two importers operating on the Rhine: Philip Poth at Mannheim, and Rieth at Mannheim and Antwerp. The former acquired several ocean and river tank-steamers in 1890, and also used tank-cars on the railways. He worked in close connection with import firms at Antwerp and Rotterdam, and instead of buying his oil from the Standard Oil Company, as the Bremen firms had always done, he established relations with independent American producers. Rieth, on the other hand, obtained his supply from the increasingly productive Russian wells at Baku.⁵ These two firms, with strong organization and superior transportation facilities, soon outstripped their less favorably situated competitors at Bremen and Hamburg, and extended their operations over a great section of Germany.⁶

These developments of course involved a serious loss to the Standard Oil Company, and the petroleum imported by way of the Rhine threatened to drive that sold by the trust's customers from

⁴ *Schneider*, pp. 65-66.

⁵ Russian petroleum was first imported into Germany in 1883. See *Schneider*, *op. cit.*, p. 60.

⁶ *Ibid.*, p. 67.

the market. To avert this danger, the latter decided to take control of the import trade itself. On February 22, 1890, it founded its first and most important German subsidiary, the Deutsch-Amerikanische Petroleum-Gesellschaft, generally referred to as the D. A. P. G., in which it controlled half of the voting stock.⁷ The rest of the shares were distributed among importers in Bremen, Hamburg, Königsberg, and Stettin, who had formerly been correspondents of the Standard, and who were now forced to turn over their business to the new company if they did not wish to risk their large fixed capital in a contest with the power which controlled their source of supply.

The D. A. P. G. at once entered on a campaign to secure entire control of the import trade. Tank-ships and tank-cars were bought, and a selling organization was built up in the interior. The center of operations was shifted to Hamburg, but provision was made for importing kerosene also by way of the Rhine, where nine tank-ships were put in operation. A war of extermination was begun against Poth and Rieth. In this the advantage lay entirely on the side of the trust, whose greater resources enabled it to keep up a cut-throat price competition indefinitely. Poth and Rieth were limited in their operations to a comparatively small district, since they could not profitably transport oil by rail to any great distance from their reservoirs in the Rhine valley. In this district the D. A. P. G. sold at lower and lower prices, while making a profit in other parts of the Empire.⁸ At each important distributing center one wholesale dealer was employed, being guaranteed against loss and ordered to underbid Poth's and Rieth's customers at all costs. When the other wholesale dealers were no longer able to keep up the contest, they were invited to sign contracts providing that they buy their oil in the future entirely from the D. A. P. G. Poth, in spite of the hopelessness of the fight, held out valiantly for five years, but the imports of Russian oil by Rieth practically ceased in 1893. In 1896 both of the independent

⁷ *Schneider*, pp. 68-69.

⁸ *Schneider (op. cit., p. 69)* gives the following table of the prices at various places on Oct. 5, 1894. The figures are for 100 kg. net weight petroleum, exclusive of duty.

<i>In district of competition</i>		<i>Elsewhere</i>	
Cologne	M. 7.60	Hamburg	M. 10.10
Mayence	8.50	Bremen	10.00
Mannheim	8.80	Berlin	10.30
		Breslau	11.20

importers surrendered, and the D. A. P. G. found itself in practically undisputed possession of the German market.⁹

The years following 1896 were spent by the Standard Oil Company in perfecting its selling organization and taking measures against possible future competition. The plants of Poth and of Rassow, Jung and Co., another hitherto independent firm in Bremen, were combined in the Mannheim-Bremer Petroleum Gesellschaft, which for some time kept up a pretence of competing with the D. A. P. G. Other firms which had been subjugated by competition were also reorganized as branches of the trust. These numerous subsidiary companies, while nominally competing, in reality worked together along lines laid down by the American directors of the D. A. P. G.; and each supplied the section which geographically belonged to it. Every city was furnished with oil from the nearest sea or river port, and with the least possible expense for transportation. The various branches had a complete equipment of tank-steamers and tank-cars. At the important distributing points large reservoirs were erected, where the oil was stored until it could be sold.¹⁰ To protect itself against future competition from outside sources, the Standard also began to extend its control to the inland wholesale dealers. The latter were to a great extent already dependent upon it, because, owing to the difficulty of keeping large quantities of oil on hand, they must provide for their supply by making contracts for frequent delivery of relatively small quantities during a long period. In 1897, the trust attempted to include in all such contracts a secret agreement by which the wholesale dealer bound himself to buy all of his oil from one of its branches, and agreed to confine his operations to a limited district.¹¹ A general outburst of public indignation forced the giving up of this plan, but the division of territory could still be accomplished by the insertion in each selling agreement of a clause providing that the petroleum should be shipped from the dealer's reservoir or warehouse only in barrels. Thus, since shipping oil in this form over long distances was too expensive to be profitable, the territory of each was closely limited, and prices could be lowered in any one district to destroy a competitor.

Nevertheless, the trust did not long enjoy its absolute monopoly. About 1897 the Deutsch-Russische Naptha-Import-Gesellschaft

⁹ *Schneider*, p. 69.

¹⁰ *Ibid.*, pp. 70-75.

¹¹ A copy of one of these contracts is given in Brackel and Leis, *op. cit.*, p. 354.

began to import Baku kerosene in large quantities and to sell considerably cheaper than the D. A. P. G. could profitably do.¹² Within a few years the new firm had attained a large share in the market, but about 1900 it suddenly gave up its belligerent attitude, and seemed content with a relatively unimportant part in the total imports. The price of the inferior Baku oil remained only a little below that of the American product, and rose and fell with the latter, without any serious attempt on the part of the Russian company to underbid its rivals. The reason for this change in policy seems to have been an agreement between the Rockefeller interests and the Nobel firm, the chief Russian producer, by which the markets of the world were divided and Germany was recognized as the domain of the Standard Oil Company. This agreement was broken off in 1905, but at that time the Deutsch-Russische Naptha-Import-Gesellschaft was not strong enough to begin another price war.

During the contest with the Russians, the Standard made another advance in its distributing organization. Forced to sell its oil at the lowest possible price, it decided to eliminate the wholesale firms as far as possible by dealing directly with the shopkeepers. Reservoirs, into which the oil flowed of its own weight from the tank-cars, were built at the railroad stations; and from these the oil was pumped into tank-wagons, by which it was delivered in small quantities to the retail dealers.¹³ The latter were bound to the trust by contracts. Receptacles and equipment for keeping and selling the oil were lent to them, to be withdrawn if they violated their agreements. They were supervised constantly by travelling inspectors. Against such an invasion of their field of business the wholesale dealers were helpless. It was manifestly impossible for them to compete with a firm on which they depended for their supply, and which arbitrarily controlled prices and alone had access to the statistics on which prices were based. Those dealers whose business was not bodily taken away were forced into still greater subservience to the import firms. The destruction of the wholesale petroleum trade aroused much bitterness against the trust in business circles, but in reality it was a great gain for the consumer. The middleman was in most cases unnecessary, and his profits made a needless item in the retail cost of the oil.

During the last few years the Standard Oil Company has sup-

¹² Schneider, *op. cit.*, pp. 76-77.

¹³ Spies, *op. cit.*, pp. 18-19.

plied kerosene direct to the consumer by means of can delivery. Tins of three, five, and ten liters capacity are filled from the reservoir, and distributed through the streets or along country roads by wagons, the receptacles being lent temporarily to the customers. This method of retail selling has proved the cheapest and most convenient means of supplying the market, and has largely taken the place of other forms of distribution in the districts where it has been put in operation.¹⁴

With the American trust in such complete control of the import and sale of kerosene, it was even more difficult than before for an outside firm to obtain any considerable share in the German market. Nevertheless, competing companies have not been entirely excluded. The American Pure Oil Company has sold a little oil for several years,¹⁵ but it can be hardly be considered independent, since Mr. Rockefeller is said to own a large part of the stock. The Olex, an Austrian concern selling Galician oil, has, with the consent of the D. A. P. G., supplied a large district in the eastern part of Germany.¹⁶ The Deutsch-Russische Naptha-Import-Gesellschaft continued to import a limited quantity of petroleum even after it ceased to compete actively with the American concerns. The most serious attempt to break the power of the Standard Oil Company, however, was that financed by the Deutsche Bank, after the course of the Deutsch-Russische Naptha-Import-Gesellschaft had made it clear that the Russian producers were ready to leave the market in the undisputed control of the trust. In 1901 this bank acquired a majority of the stock of the Steaua Romana, the most important Roumanian oil-producing company, which possessed extensive and very rich petroleum fields as yet largely undeveloped. It was reorganized as a German firm, and its productive capacity was greatly increased by improvements in methods and in transportation facilities. To sell its kerosene, the bank created the Petroleum-Produkte Aktien-Gesellschaft in Hamburg, and later the Deutsche Petroleum Aktien-Gesellschaft in Berlin. An alliance was formed with the Russian export firms of Nobel and Rothschild in the European Petroleum Union, and American kerosene was bought from the Shell Company and the Pure Oil Company. Large quantities of mixed Roumanian and American oil were put on the market. The Standard, however, was too powerful

¹⁴ Spies, *op. cit.*, p. 19.

¹⁵ 65,804 out of 659,302 tons in 1909. See *ibid.*, p. 24.

¹⁶ 104,945 tons in 1909. See Spies, *op. cit.*, p. 88.

for the new competitors, and the bank suffered such serious financial losses that its dependent companies were finally forced to make an agreement with the D. A. P. G. by which they were conceded a quota of twenty per cent in the German market, but were subjected to the control of their rival in regard to the method and terms of sale.¹⁷ This arrangement has recently been broken off because of the bank's interest in the movement for a legalized monopoly.

For several years the Standard Oil Company has had little serious competition. In 1904 the D. A. P. G. was reorganized, the trust buying all of the stock and substituting American directors in place of the former German directors. Besides this company, the trust now has a number of other branches which take part in the German petroleum trade. These are: the Mannheim-Bremer Petroleum Aktien-Gesellschaft, the Königsberger Handelscompagnie, the Amerikanische Petroleum Anlagen in Neuss, the American Petroleum Company in Antwerp, and the refinery of the August Korff Aktien-Gesellschaft in Bremen.¹⁸ In addition it is now said to control the German selling organization of the Pure Oil Company.¹⁹ It owns a majority of the voting stock in each of its subsidiaries, and of course takes care that they do no injury to one another's interests.

The almost complete control by one foreign concern of the import trade in so important a commodity as petroleum, and especially the extension of that control to the wholesale and retail business, has been looked on with much dissatisfaction in business and administrative circles. The Standard Oil Company has not, indeed, seriously abused its position, for it has greatly reduced the cost of putting kerosene on the market, and under its régime prices have gone down rather than up, although they were raised somewhat in the first months of 1912.²⁰ Nevertheless, after it became clear that no private company could compete with the monopoly, there arose a strong demand for government intervention. It was felt that there was grave danger of a general increase in price when the trust should have completed its control and suc-

¹⁷ This agreement was concluded in 1907, and was to have run until 1915. At the same time other agreements were made covering most of the countries of Europe. See *ibid.*, pp. 21-23.

¹⁸ See the *Begründung zum Gesetzentwurf über den Verkehr mit Leuchtöl*, Reichstag Drucksachen, 13. Legislatur-Periode, 1. Sess., 1912, No. 544, p. 11.

¹⁹ The D. A. P. G. denies that it controls the selling organization of the Pure Oil Company. See *Warum ein Reichs-Petroleummonopol?* (Deutsch-Amerikanische Petroleum-Gesellschaft, Nov., 1912), p. 11.

²⁰ See the *Begründung*, pp. 13, 94.

ceeded finally in shutting out all competitors from the market. Oil-lighting is still so much cheaper than gas or electricity that a considerable increase in cost would be possible without materially decreasing the demand; and such an increase would work hardship among the middle and lower classes. This would be especially true in the country districts, where other forms of light cannot usually be obtained as substitutes. Exclusive dependence on a foreign firm might also result in the cutting off of the supply in time of war. To these patriotic and humanitarian considerations was added a lively desire on the part of German financiers, especially those connected with the Deutsche Bank, to create a better market for the product of the Roumanian oil wells, in which a large part of the total capital invested is German.²¹

On March 15, 1911, the Reichstag, in a resolution, called on the government to investigate the conditions in the petroleum trade, in order to determine how much danger there was that the Standard Oil Company would obtain a monopoly of the German market, and to decide whether some form of government intervention were advisable. After more than a year of consideration, an extensive report was submitted to the Reichstag in November, 1912.²² Of the numerous measures urged on the government, only three seemed worthy of serious consideration: the creation of an independent inland refining industry, through preferential duties favoring crude as against refined oil; the taking over of the sale of petroleum by the government itself, as a state monopoly; and the erection of a private monopoly, under government control. The first of these expedients was rejected on the ground that an inland refining industry would not be able to maintain its independence, since it must depend on the trust for its supply of crude oil. Russian and Roumanian crude oils could not be used, because the relatively small proportion of kerosene which they contain makes refining near the wells, and in a locality where the residue can be used for fuel, a necessity. The second proposal was also considered impracticable. A government monopoly would require a great increase in the number of imperial officials, which would be distasteful to the administration and to the public, and the services of men of the necessary initiative and business ability could

²¹ The proportion in 1906 was 63 per cent, according to Franz Gehrke in *Die neuere Entwicklung des Petroleumhandels in Deutschland* (*Zeitschrift für die gesamte Staatswissenschaft*, Ergänzungsheft XX, 1906), p. 36.

²² This report is the *Begründung* cited in note 18. It contains the text of the proposed law.

hardly be secured for the salaries usually paid by the state. The element of risk in the petroleum business also makes it an unsuitable field for government activity.²³

The third measure seemed to embody the advantages of a state monopoly, while avoiding its disadvantages. The Bundesrat accordingly drew up a bill providing for the creation of a corporation which should be given a monopoly of the import and wholesale petroleum trade for a period of thirty years. The proposed company is to confine its operations to Germany in all but exceptional cases, and is to deal only in large amounts of oil. At the end of thirty years the government may either allow the concern to continue its activities, or it may take over and carry on the sale of kerosene itself.²⁴

The monopoly is to be a private corporation operated for the benefit of the stockholders, who are to be on the one hand a group of great banks and on the other ordinary investors. The capital of sixty million marks is to be divided between two classes of stock. The shares of the first class will be taken by a group of banks, and will entitle the holders to an increased voting power, so that in the general assembly the *consortium* will have at least half of the votes. This stock is to be deposited with the Reichsbank, and is to be transferable only with the consent of the imperial chancellor. In the division of profits no distinction will be made between it and the second class of shares, which will be sold on the open market.

The new concern will be under the constant and close control of the government. To supervise its affairs, the imperial chancellor will appoint a commissioner, who will be entitled to take part in the directors' meetings and in the general assembly and who may at any time demand reports in regard to the company's affairs from the directors or from the executive committee. The books and papers are open to his inspection, and if he finds that decisions or orders are inconsistent with the laws or with the constitution and by-laws of the corporation itself he may forbid their being carried out. Furthermore, the election of the board of directors, of their chairman, and of the executive committee must be confirmed by the chancellor. The latter will appoint a council of

²³ The various solutions proposed, with the arguments for and against each one, are discussed in the *Begründung*.

²⁴ The bill, with an explanation of its provisions, is printed in the *Begründung*. Spies criticises it from the standpoint of the petroleum dealer (*op. cit.*, pp. 90-140).

twenty expert advisors to assist the commissioner in his work and to supervise the business methods of the monopoly.

To protect the public from exploitation, a very elaborate scheme for the regulation of prices and the limitation of profits has been worked out. The earnings of the monopoly are to be divided as follows. After the deduction of all expenses, 10 per cent of the remaining profits is to be added to the reserve fund, until that shall have reached a sum equal to half of the capital, and the rest is to be apportioned between the stockholders, the imperial treasury, and a price-levelling fund. The amount received by each depends on the average price of kerosene during the year in question, 20 pfennigs a liter at the company's reservoir being fixed as the maximum which ought to be charged.²⁵ At this price the company may pay a dividend of 5 per cent; and the imperial treasury receives the profits remaining after this has been paid, up to a sum four times as great as that distributed to the stockholders. If there is still something left over it is turned into the price-levelling fund. When the company is unable to sell at 20 pfennigs, the Empire gives up its share of the profits, and the amount which the stockholders may receive decreases geometrically with the rising price. A maximum dividend of 4 per cent may be paid if the price is 22 pfennigs or above. If the average during the year falls below 20 pfennigs, the profits allowed to the stockholders, and the share of the Empire, which is four times that of the company, increase geometrically with the sinking price. All sums remaining after the payment of the permissible dividend and of the government's quota are added to the price-levelling fund, which is to be drawn on in years when without its use the price must be above 20 pfennigs. If the present steady decline in the consumption of kerosene continues, the company will be allowed slightly to increase the profit which it makes on each liter, in order that it may pay a reasonable dividend on its capital stock. By these measures the government aims to make it to the advantage of the monopoly to sell oil at the lowest possible price, and also hopes to secure for itself a considerable income, which it intends to use for social purposes, such as old-age pensions and workingmen's insurance.

The proposed corporation will take over all plants and equipment heretofore used in the import and wholesale trade in petro-

²⁵ This will mean a price to the consumer of 23 pf., which is considerably higher than the present price in most German cities. See Spies, *op. cit.*, p. 96.

leum, and will compensate existing firms for being forced to give up their business. It will also compensate such officials of these firms as it does not itself employ. In the course of competition the Standard Oil Company and its rivals have acquired a large amount of duplicate equipment which would be of no use to the new company, and there are also a large number of officials who would be superfluous under the new régime. These measures would thus involve a considerable expense, and in addition a fleet of tanksteamers must at once be provided, since without them it would hardly be possible to secure oil from the poorly organized independent producers. The cost of putting the monopoly in operation would therefore be very great, and in this matter alone the company would be in a much less favorable position financially than are the Standard's affiliated organizations at the present time.

The proposed law has naturally aroused great interest in Germany. Although the monopoly of the Standard Oil Company has not hitherto been oppressive, there seems to be a strong feeling in favor of displacing it through a concern entirely in German hands. The Bundesrat's bill was introduced into the Reichstag at the winter session of 1912-1913, and met with general approval from the press and from business organizations. The committee to which it was referred modified it slightly to lessen the influence of the Deutsche Bank. The government's armament bill occupied the Reichstag so completely during the spring of 1912-1913 that it was impossible to act on the petroleum monopoly, but it has been officially announced that the matter will be brought up again as soon as circumstances permit. At present, the bill is still in the committee stage.²⁶ The branches of the trust have naturally made an energetic fight against the threatened state interference, and have offered substantial concessions to their rivals and to the government, in their effort to procure an abandonment of the measure.

The three most important arguments made by the opponents of the bill are: that the great banks interested in the project will derive undue advantage therefrom; that the new monopoly will be forced into dependence upon the Standard Oil Company for its supply; and that the change will result in the sale of petroleum of inferior quality at prices as high as or higher than at present.

Those who advance the first argument point out that the Deutsche Bank and other financial organizations which will control the new

²⁶ March 1, 1914.

monopoly also have extensive interests in one of the most important of the prospective sources of supply, the Roumanian oil wells.²⁷ By charging exorbitant prices for the product of the latter, they could still exploit the consumers in spite of the profit-regulating scheme. However high the price of kerosene, they will still be allowed to receive a 4 per cent return on their investment in the monopoly, and so could afford to renounce the higher profits permissible with lower prices in Germany if they made a greater clear gain from their Roumanian wells. There seems little danger, however, that the banks will be willing or able to do this. Both the force of public opinion and the control exercised over the monopoly by the government would deter them from such high-handed robbery.

The second argument against the bill has received more serious consideration, for the ability of such a company as is proposed to obtain sufficient oil from sources independent of the Standard Oil Company is open to doubt.²⁸ The government investigated this question before preparing the bill now under consideration, and it asserts that it has been able to make preliminary agreements, assuring a plentiful supply of kerosene at reasonable prices, with independent companies in Russia, Austria, Roumania, and America. According to these, about 300,000 tons of refined petroleum would be obtained from the three former countries, and the remaining 450,000 tons necessary to supply the German market from the United States.²⁹ Kerosene will also be bought from the Standard Oil Company, if a satisfactory arrangement can be made.³⁰

In the light of present conditions in the world's great petroleum-producing districts, the government's assertions seem rather optimistic. Germany now consumes more kerosene than any other country which does not produce an important part of its own supply, having imported 755,199 tons in 1911.³¹ Whether this great quantity can be obtained without depending on the trust can only be determined by examining the nature and importance of the independent sources of supply. At present America produces

²⁷ See especially Spies, *op. cit.*, pp. 120-121.

²⁸ In a Berlin despatch to the *Philadelphia Public Ledger* of Feb. 27, 1914, the doubt as to a supply of oil from independent sources is referred to as the chief obstacle at present to the establishment of the monopoly.

²⁹ See the *Norddeutsche Allgemeine Zeitung*, Feb. 8, 1913.

³⁰ See the *Begründung*, p. 16.

³¹ Georg Spies, *Die Leuchtöl-Disponibilität für ein deutsches Petroleum-Monopol*. (Berlin, Puttkammer & Mühlbrecht, 1913), p. 4.

by far the largest part of the world's output of crude oil, and in the production of kerosene its preponderance is still greater, because of the extensive use of petroleum for fuel in Russia and Roumania. Most of the American refineries are in the hands of the Standard Oil Company, or subject to its control through their use of its transportation facilities.³² There are, indeed, independent companies; but how far they can be relied upon to supply the major part of Germany's annual consumption, and whether they will be able to maintain their present independence, is doubtful. As the advocates of the monopoly plan point out, however, an assured share in a great market would strengthen these producers and make it more difficult for the trust to absorb them. But, at best, their prices must be somewhat higher than those at which the latter is able to sell, since they do not enjoy the benefits of the Standard's highly developed transportation system.

Next to the United States, Russia is by far the most important petroleum-producing country. The greater part of the crude oil from the Baku wells is used as fuel in the form of "masut"; and in 1911 the total exports of kerosene were only 475,000 tons, of which more than half went to Turkey, Egypt, and other countries near the Black Sea.³³ The exports were decreasing, and the Russian oil was everywhere giving way before the American product.³⁴ The producers are disorganized and are handicapped by the lack of transportation facilities; and their crude oil is of inferior quality, yielding only 30-35 per cent of refined kerosene, as compared with 60-75 per cent obtained from the crude oil of the Pennsylvania and Ohio wells.³⁵ Russian oil, however, has always sold somewhat cheaper than American, except during the price war of 1890-1895. It has been greatly improved in recent years by

³² The following stocks are regularly listed as "Standard Oil Subsidiaries" in the *Philadelphia Public Ledger*: Anglo-American Oil, Atlantic Refining, Borne-Sermyser, Buckeye Pipe Line, Chesbrough Manufacturing, Colonial Oil, Continental Oil, Crescent Pipe Line, Cumberland Pipe Line, Eureka Pipe Line, Galena Signal Oil, Indiana Pipe Line, National Transit, New York Transit, Northern Pipe Line, Ohio Oil, Pierce Oil, Prairie Oil and Gas, Southern Pipe Line, Southern Pennsylvania Oil, Solar Refining, Standard Oil companies of California, Indiana, Kansas, Kentucky, Nebraska, New Jersey, New York, and Ohio, Swan and Finch, Union Tank Line, Vacuum Oil, Washington Oil, Waters-Pierce.

³³ Spies, *Die Leuchtöl-Disponibilität für ein deutsches Petroleummonopol*, p. 4.

³⁴ *Begründung*, p. 74.

³⁵ Gehrke, *op. cit.*, p. 19.

better refining methods, and can now be burned in the same lamps as the American kerosene. The Baku wells will doubtless be able to furnish a considerable part of the supply of the new German monopoly, and in the future, with improvements in means of transportation, they will probably be able to offer increasing amounts at low prices.

The source of supply in which those advocating the monopoly have the most interest is Roumania. This country possesses great and rich oil fields which have thus far been only partially developed, owing to lack of capital. In 1900 and again in 1903 the Standard Oil Company attempted to get control of the greater part of these, but was repulsed by the Roumanian government.³⁶ Most of the crude oil output is used as fuel on the railroads and on the steamships, and only 323,012 tons of kerosene were exported in 1911. This went chiefly to Egypt, Great Britain, and Turkey, and less than 25,000 tons found its way to Germany.³⁷ The most important of the Roumanian exporters, the Steaua Romana, is, however, controlled by the Deutsche Bank and operated as a German firm; and this company hopes to sell almost its entire product to the new monopoly. The oil is of good quality, and can be put on the market very cheaply, as the production costs are low and the Danube affords inexpensive transportation. Nevertheless, the limited quantity will prevent this kerosene, for the present at least, from doing very much towards solving the problem of supplying the German demand.

The fourth source from which the government expects to obtain oil is Austria. The refineries of Galicia produced only 540,000 tons in 1911, and most of this was used within the dual monarchy. About 220,000 tons were handled by the Olex, the exporting organization of the combined refineries, and 161,719 tons of this came to Germany.³⁸ The Deutsche Erdöl Aktien-Gesellschaft bought a majority of the shares of the Olex in March, 1912, and has entered into an agreement with the Standard Oil Company in order to make it possible to sell Galician oil and German oil, of which it controls almost the entire output, without suffering from the destructive competition by which oil from other countries has been kept from the market.³⁹ On account of this agreement,

³⁶ For an extensive description of the Roumanian oil district, with its history up to 1904, see Brackel and Leis, *op. cit.*

³⁷ *Begründung*, p. 77.

³⁸ *Ibid.*, p. 72.

³⁹ See the *Norddeutsche Allgemeine Zeitung* for Oct. 18, 1912.

the banks owning the stock of the Erdöl Gesellschaft have been refused a share in forming the new monopoly, and there has been a bitter exchange of recriminations between them and the group interested in the Roumanian oil fields. The Erdöl Gesellschaft has opposed the monopoly plan, and has entered into an agreement with the Standard which assures it a 20 per cent share in the German market.⁴⁰ The controversy between the banks will hardly encourage the coöperation of the Olex in making the new monopoly a success. Even if Austrian oil is obtained, it does not seem likely to be imported in very large amounts, since the product of the Galician wells has shown a tendency to decline in recent years.⁴¹

We have, then, on the one hand, Russia, Roumania, and Austria, and on the other the independent American companies. The combined exports of the three former countries in 1911 were 974,412 tons, or but little more than the total amount required in Germany.⁴² When we consider that Russia and Roumania have important markets in the East, which will continue to consume an increasing quantity of their oil, and that each also sells a large amount to England and to other European countries, we can see that the monopoly will still be forced to depend to a very great extent on American kerosene. Whether this can be obtained from independent companies is the question on which the success of the entire plan rests. If the company is forced to buy any considerable portion of its supply from the Standard, this dependence, judging from the past history of that combination, will become greater and greater, and the intervention of the government will have accomplished little of real importance. The new organization will become to all intents and purposes merely a selling agent of the trust.

The opponents of the bill further assert that the new monopoly, instead of protecting the public from extortion at the hands of the Standard Oil Company, will in reality be forced to raise the price of petroleum, in spite of the elaborate price-limiting scheme. They maintain that the company cannot otherwise be operated

⁴⁰ This was announced in an open letter published in the German newspapers Feb. 22, 1913.

⁴¹ According to statistics published by the Deutsche Petroleum Aktien-Gesellschaft, the Galician crude oil production was 275,000 tons less in 1912 than in 1911. (*Münchener Neueste Nachrichten*, Feb. 25, 1913.)

⁴² *Die Leuchtöl Disponibilität*, etc. Spies, however, asserts in his *Zwei Denkschriften*, pp. 25-36, that these countries would refine far more kerosene if they could find a market for it.

with a profit. The maximum established by the proposed law, 20 pfennigs a liter at the reservoir, would result in a retail price considerably higher than that which has been charged by the Standard Oil Company.⁴⁸ They say the monopoly will not be able to do business even at this price because of the great initial expenses of organization, of building a tank-fleet, and of compensating those at present engaged in the petroleum trade. The necessity of bringing oil from so many different sources of supply—of operating tank-ships on the Atlantic, on the Black Sea, and on the Danube—will offer a much more difficult transportation problem than the Standard has had to deal with. The abolition of the present system of tank-wagon and can delivery will mean another item in the cost to the consumer. It is also feared that the control from the side of the government will result in less efficiency.

The question of cost, like the question of supply, can be answered only by experience, as there are at present no comprehensive statistics of the petroleum trade in Germany except those in the hands of the Standard Oil Company. The government, relying on opinions of independent German dealers, estimates that the monopoly would be able to sell to the shopkeepers at about 19 pfennigs a liter under conditions such as prevailed in 1912. This, however, represents little more than a mere guess, and hardly answers the arguments of those who fear an increase in the cost to the consumer. Furthermore, it does not take into consideration the admitted steady decrease in consumption, which will make it more difficult for the monopoly to make its business pay.

However problematic the success of this German experiment, its career will be watched with sympathetic interest by all who regard with apprehension the attempts of the Standard Oil Company to obtain a world monopoly. The trust has already exerted itself to defeat the project, and may be expected to use all of its vast power in the effort to bring the new company under its control. Failure in this would mean the partial or entire loss of the Standard's best foreign market. It would also encourage other countries, perhaps, to follow the German example, and thus would break up the trust's control of the European petroleum trade. Independent oil producers in America would have a valuable support in their efforts to resist absorption, and the producers of Russia and Roumania would be able to sell their petroleum in markets from

⁴⁸ In its pamphlet *Das Reichs-Petroleummonopol* (Nov., 1912), the D. A. P. G. states that it delivered oil to the retail dealer in 1911 at an average price of 16.16 pfennigs per liter.

which they had hitherto been excluded by unfair competition. The development of the world's mineral oil resources would be stimulated and accelerated.

DANA G. MUNRO.

NOTE. In addition to the authorities mentioned in footnotes, the following may be referred to: Joseph Leis, *Das Leuchtöl-Gesetz in handelspolitischer Beleuchtung* (Regensburg, 1912); Georg Spies, *Petroleummonopol-Gewinn-Tabellen* (Dresden, 1913); F. W. Möller, *Die Versorgung der Welt mit Petroleum, mit besonderer Berücksichtigung Deutschlands* (Berlin, 1913); W. Möller, *Das Reichspetroleummonopol* (Berlin, 1913); H. Rheinstrom, *Ein Reichsmonopol für Leuchtöl* (Munich and Berlin, 1912); C. D. Chamberlin, *Die unabhängige Petroleumindustrie in Amerika* (Berlin, 1913); O. Schneider, "Das Petroleummonopol," (*Schmollers Jahrbuch*, Jan., 1913); *Empfeht sich die Einführung eines Reichsmonopols für Petroleum?* and *Ein Petroleummonopol aus Furcht* (pamphlets of the Deutsch-Amerikanische Petroleum-Gesellschaft, Oct., 1911; Oct., 1912); *Unsere Stellung zum Petroleummonopol* (Deutsche Erdöl-Aktiengesellschaft); R. Nöllenburg, *Die Versorgungsmöglichkeit eines Reichspetroleummonopols*; H. Heymann, *Spies und das Petroleummonopol* (pamphlet, 1913); *Das Reichs-Petroleum-Monopol und die Deutsch-Amerikanische Petroleum-Gesellschaft* (Deutsche Petroleum-Verkaufs-Gesellschaft); Petition of the officials of the Standard Oil Company's subsidiaries in Germany to the Reichstag, in regard to paragraph 11 of the Petroleum Monopoly bill (1912).

LOANS ON LIFE INSURANCE POLICIES

Loans on life insurance policies is a subject which is receiving the serious attention of life insurance officials and state supervisors of insurance. The granting of loans on policies has had a marked effect already upon the practice of insurance and it threatens to affect the theory of life insurance.

The present situation is due to legislation, to court decisions, and to the practice of some companies. The loan in its present form was devised by some of the enterprising companies primarily as a desirable selling feature of life insurance. Later the legislatures required by law the granting of the loan. The courts by their interpretation of the insurance contract encouraged the practice of granting loans. Early in the history of life insurance, notes were accepted as a partial payment for the premium. This was done in the belief that future dividends would liquidate the debt, and, when later experience proved this belief false, these notes were consolidated into one note which was made as a loan against the reserve on the policy.

However, it was not until about 1885 that the practice of making direct loans against the policy was begun. These loans were not necessarily made for premiums due. They were granted on the theory that each policy holder had a basic right, in insurance theory, in law, and in morals, to use in whatever manner he chose the cash value of his policy, which approximated its reserve value. It assumed that the reserve was divisible at any time into individual reserves, a contention which in strict insurance theory cannot be admitted. It was found that the loan feature in a policy proved an excellent selling device, and the insurance companies willingly or unwillingly adopted it. The Armstrong laws in New York required this feature in all policies sold in that state. Other states, when it was necessary, adopted a similar requirement. Thus, what had originated as a practice of some companies soon became legalized for all companies.

This legislation and company practice were also in harmony with the interpretations which the courts had increasingly placed upon the character of the insurance contract. The decisions of the courts in this country have never been noted as sources of very accurate or fundamental knowledge of insurance and in this particular they have maintained their reputation. From the earliest decisions of the courts in both England and the United States, the insurance contract has been held to be one from which the in-

sured could in no manner profit. The underlying assumption of this principle is that the insurance contract is either one of indemnity, as in the case of property, or one primarily for the benefit of a second party, as in life insurance.

The life insurance contract is in strict theory a trilateral contract with the insurer, the insured, and the beneficiary, as the parties to the contract, the rights or benefits of the contracts being vested in the beneficiary. It is only by recognition of such a principle that the theory of insurance can be made to work in practice, whatever modifications of the real theory may be found in the present-day practice of insurance. Notwithstanding that the early and late court decisions uphold the theory that the insured should not benefit from the contract, another line of decisions has grown up parallel with this which is essentially opposed to it.

That is, the courts have been disposed, especially in later years, to rule that the insurance contract is unilateral. This has been shown not only in interpreting laws requiring a loan to be made upon the policy, but also in permitting a free choice of a beneficiary and a change almost at will of the beneficiary. This is but applying a theory which has come to be more and more adopted by the courts—that insurance is but a species of property. If the contract of insurance thus establishes a property right in the insurance and if this property resides in the insured, he is permitted to do what he pleases with it, just as with any other of his property, so long as no public injury is inflicted thereby. Thus, by classifying insurance in the same category with other kinds of property, the courts have greatly aided in modifying the earlier and more correct idea of what insurance really is.

Therefore, the courts, the legislatures, and the practice of companies have all contributed to encouraging loans on policies and to giving to existing life insurance transactions many of the general characteristics of any modern business.

Insurance as an institution has come to perform many of the functions of banking and saving institutions. It is frequently asserted by the officials of insurance companies, especially when they are seeking exemption from tax laws or modifications of them, that insurance is not a commercial business; that it is not a business for profit. But an examination of the actual activities of a modern life insurance company makes it difficult to admit the contention as a whole.

The loan privilege, just as the development of the so-called in-

vestment policies and many other features of present-day operations, has undoubtedly furthered the sale of policies; but the incorporation of these many attributes has been at a sacrifice, to a greater or less degree, of the fundamental principles of insurance. Insurance is not primarily either a saving or an investment institution. It cannot hope to compete with financial institutions, especially as these institutions become better organized and the people become more intelligent in matters of insurance and investment. Insurance is primarily a means of assuming and distributing risks in order to grant protection. Whatever saving or investment features it may have are but incidental to the main purpose.

Evidence is not wanting that there is a disposition to return to elementary principles. The present interest in the loan clause is a part of this evidence. The increasing interest in state insurance is another. The reorganization of the fraternal companies on a sound basis may prove a means of bringing insurance practice back to fundamental principles. But the laws of many states, the decisions of many courts, and the practice of many companies will need to be revised if life insurance is to return to first principles and perform its primary service of granting protection to third parties. That is, the normal insurance contract should be a trilateral contract with vested rights in the beneficiary.

How extensive loans on policies have become and the relation of policy loans to the reserve is shown by the following table:

Statistics of Companies Reporting to New York Insurance Department.

Year	Sum of policy loans and premium notes	Ratio policy loans and prem. notes to reserve Per cent	Year	Sum of policy loans and premium notes	Ratio policy loans and prem. notes to reserve Per cent
1888	\$18,804,810	3.32	1901	\$108,438,671	6.85
1889	19,839,332	3.22	1902	127,927,668	7.36
1890	19,903,242	2.97	1903	158,567,609	8.27
1891	21,053,640	2.90	1904	189,738,779	9.03
1892	22,170,066	2.81	1905	225,568,149	9.83
1893	27,669,171	3.24	1906	265,902,863	10.76
1894	30,839,727	3.38	1907	348,458,980	13.15
1895	35,524,530	3.62	1908	413,265,207	14.61
1896	44,833,176	4.28	1909	446,276,468	14.74
1897	51,962,850	4.65	1910	495,099,854	15.34
1898	57,258,660	4.76	1911	541,789,999	15.71
1899	70,836,554	5.35	1912	587,704,733	16.03
1900	88,500,575	6.13			

The following table shows the geographical distribution of loans:¹

States	Ratio of loans and notes to reserves		Per cent of increase of 1911 ratio over 1907 ratio
	1907	1911	
Central Northern	11.21	12.89	14.98
Northwestern	11.88	15.22	28.11
New England	12.19	13.50	10.74
Southwestern	13.26	18.29	37.93
Middle Atlantic	13.65	15.67	14.79
South Atlantic	13.89	18.30	31.74
Gulf and Mississippi Valley.....	14.18	18.55	30.81
Pacific	15.69	19.76	25.93

There are no satisfactory data for determining the purpose for which loans are made, the time the loan remains outstanding, the expense of making the loans, the relation of loans to lapses, and the kind of policy upon which loans are most numerous. Some of these questions cannot be answered, and others will require considerable investigation. The following preliminary result of the study of the experience of one company is offered. It is probable that the more complete analysis of other companies will show very largely the same result, since the following data were obtained from a representative company which has had a long history of excellent business and good administration.

Only the past ten years is included, since this period serves to show the characteristics of the loan.

Year	Number of loans made (a)	Total number of loans outstanding (b)	Per cent of number of loans out to number of policies (c)	Number of loans paid by cash (d)	Per cent of surrendered policies with loans (e)
1904	1099	3995	6.2	241	16.1
1905	1179	4759	6.8	285	16.7
1906	1258	5538	7.4	227	19.2
1907	2121	7058	9.2	407	26.5
1908	2783	9087	11.6	439	27.8
1909	2590	10606	12.7	331	35.4
1910	2693	12259	13.7	286	36.5
1911	2749	13891	14.5	229	39.8
1912	3122	15574	14.9	181	39.3
1913	3806	17751	15.7	47	38.3

¹Proceedings of the American Association of Life Insurance Presidents, 1913.

Attention needs to be given to certain parts of the table. Comparing columns (a) and (b) with column (c) shows that not only an increasing number of loans were demanded annually, but also that those previously made persisted. That is, in the ten-year period the percentage of outstanding loans to the number of policies in force increased from 6.2 per cent to 15.7 per cent. This occurred while the company was annually writing an increasing number of new policies. It will be observed by referring to column (d) that the number of loans paid in cash has been decreasing. In this company, of the total outstanding loans in 1903 there were 5.1 per cent paid in cash in that year. But in 1913 only 2.9 per cent of the outstanding loans were paid in cash. It has been estimated that not 10 per cent of the loans made are ever paid or ever will be paid. It is only by a cash payment that the insurance can be restored intact. Therefore, this fact has great significance because it means that the insurance and therefore the protection is being reduced. The amount of protection thus reduced by loans in December 31, 1912, assuming that only 10 per cent of these will be paid and assuming that the contracts will be carried to maturity, is \$503,312,500. Column (e) shows the percentage of all policies surrendered which have had loans on them. The question arising in this connection is, Do loans tend to cause policy holders to give up their insurance? It will be observed that the percentage of policies surrendered with loans on them increased during the decade from 16.1 per cent to 38.3. This fact would seem to be presumptive evidence that loaning on policies has an effect in producing lapses.

The number of loans is, as indicated by the preceding tables, responsive to the industrial conditions. This is true not only because the loans are easy to negotiate but also because in many companies the contracts guarantee that the loan will be granted at a rate of interest which is frequently lower than many policy holders could secure from other loaning institutions during a period of "tight money." The very fact that the loan can be secured by filing a request is an inducement for the policy holder to make the loan which he desires, either because he is hard pressed for ready funds or desires money to take advantage of the low price of securities or the business embarrassments of others.

The objections to the loan privilege are, therefore:

First, it reduces the insurance; that is, the beneficiary's protection is reduced by the amount of the loan. If insurance is

primarily for protection, it logically follows that to the extent the loan defeats protection, it is opposed to insurance.

Second, the loan feature in its operation not only promises serious difficulties in the practical administration of insurance, but it is also opposed to the theory of insurance. By granting the loan privilege the company is forced to keep either in cash or in liquid assets a large amount of its funds. This usually would mean a low interest earning on the funds unless a most extraordinary adjustment of inflow premiums to outflow loans and paid loans could be secured. The only other possible choice which the company has is to be willing to market its long-time securities when a large volume of loans is demanded. Since this large demand is likely to come when industrial considerations are below normal, it means a sacrifice sale of securities. Thus the practical result is likely to be a reduced net interest earning on investments. Since the interest rate and the mortality rate constitute the foundation of the whole superstructure of insurance, the stability of the structure itself may be weakened.

Third, the loan privilege as now practiced denies another fundamental principle of insurance, namely, its mutuality. It assumes that insurance is primarily individualistic; that each one pays a certain sum which does not lose its identity in a general fund for the protection of all the members of the group; that each one may use at any time this personal fund for whatever purpose he pleases. In the reaction against the earlier practice of companies in refusing to give any surrender value when the policy holder failed to pay his due premium, an extreme application has been made of the policy holder's equity in the general fund. The correct reasoning which grants a surrender value is quite different from that which leads to a loan value. A surrender value is given when the individual ceases to continue a member of the group. He withdraws his equity. He takes out from the whole protection that protection which up to that date he has purchased. But in the case of a loan, he practically takes out that protection and still remains a member of the group whose existence is making possible the continued protection for all its members. It is individuality amidst mutuality. Insurance cannot concern itself primarily with individuals. It may, from one point of view, often be individually inequitable, but collectively it is always fair and equitable.

It may be urged that a loan is warranted in the case of an individual whose business is threatened with ruin; and that if such aid

were not extended, the protection which the business gave to the dependent would be destroyed. Such cases, in which a loan would protect a policy holder's business, may occur; but if there is any one thing against which insurance does protect, it is the vicissitudes of modern business.

The one reason most frequently assigned to justify a loan is that it is needed for the payment of a premium due. Yet in such cases it reduces protection and, considering the actual and possible abuses of the loan, it is questionable if the loan granted for this purpose will in the end best serve insurance. The policy contract now provides for extended insurance in case a premium is not paid, and it might be better to compel the policy holder to take the extended insurance. If he is really interested in having that protection which insurance alone can supply, he will pay the premium past due and revive his insurance. If, however, a loan is secured to pay a due premium, sufficient additional insurance should be taken to protect the beneficiary while the loan is in force.

It would be interesting to see the effect upon loans which the foregoing suggestions would have if they were enforced by all the companies. It would also be interesting to see the effect upon loans, if every policy holder were required to secure the consent of the beneficiary before a loan could be secured, especially if every one were compelled to nominate a beneficiary, if he had either any one who was dependent upon him or any one who had an insurable interest in his life.

The foregoing assumes that insurance is not taken primarily for the benefit of the insured, but for a beneficiary. This is the only substantial basis upon which insurance in the truest sense can be justified. It is not forgotten that insurance has been made to serve other purposes, but it is believed that these other purposes are often a distortion of the true insurance principle.

Insurance is often urged as a method of saving, as encouraging thrift, and as an investment. But if a person considers himself alone, there are other more productive means of securing the results of saving. On purely individual grounds, he has little reason to save for a fund available at death, or even for a fund which, by the method of insurance, is to be personally used in late life.

There is no immediate prospect that the above radical suggestions will be adopted. In the meantime, certain protective provisions can be placed around the loan privilege. The consent of the beneficiary, when one is nominated, can be required before a loan

is granted. The companies can include in the loan clause the privilege of a thirty-day or longer time limit in which to grant the loan, similar to that used by savings banks. This would tend to protect the funds during the times of business depression when the demand for loans is great. The companies can also place a higher limit upon the rate of interest at which they agree to make loans.

The loan clause in its present form and practice means a greater and greater commercializing of insurance. Notwithstanding the large use of it already made, its greater use is prevented only by the fact that policy holders do not in general know of its availability. So far, loans have been in most cases possible without serious results because of the steady current of inflowing premiums. If another period of high money rates should occur, and policy holders should have learned of the availability of their insurance funds, the outflowing current might cause a serious loss in securities, not to mention the previously stated fundamental objections to the loan clause, as it is now written.

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THE DISCOUNT VERSUS THE COST-OF-PRODUCTION THEORY OF CAPITAL VALUATION

In recent years there has arisen and gained strength in the world of economic theory, a school of writers who find the proximate explanation of interest solely in the preference of individuals for present or early enjoyment over future or later enjoyment. Consistently with this view, these writers find the value of capital to be determined by discounting its future benefits and to have no direct dependence upon the cost-of-production. To every suggestion that interest may be directly determined, in large part, by the productivity of capital, the answer is made that the value of this productive capital is itself arrived at only by discounting, at some rate of interest or time-preference, its future products, and that, therefore, whatever interest is arrived at in the conclusion as due to productivity, was assumed in the premises. So certain is the advocate of the time-preference theory that the productivity theorist must necessarily be thus reasoning in a circle, that no care on the part of the latter to avoid doing so suffices to free him from suspicion of it.

I have myself very lately experienced the effects of this suspicion, as shown in Professor Fetter's criticism, in this REVIEW,¹ of a recent article by me regarding theories of interest.² Thus, Professor Fetter says³ of the article in question:

The explanation is hardly begun until the productivity is assumed to be a five per cent, a ten per cent, or a twenty per cent productivity. Per cent of what? Of the capital valuation, or the prices at which the borrower can buy the agents. Productivity in what way? In that the present prices, being the discounted value of the incomes that are expected, emerge at their maturing value as time elapses. *The discount-rate involved in the capitalization is the "rate of productivity" which appears again and again in the argument.*

Now I had taken particular pains not to state the rate of productivity as a per cent of capital value, for I knew perfectly well that if I did so I might be accused of reasoning in a circle. To begin with, I had no capitalization and, therefore, no *discount rate* involved in capitalization. In order to avoid all such difficulties, I dealt with *quantities* of goods instead of with *values*,

¹ AMERICAN ECONOMIC REVIEW, March, 1914, in an article on "Interest Theories, Old and New."

² "The Marginal Productivity versus the Impatience Theory of Interest," *Quarterly Journal of Economics*, August, 1913.

³ AMERICAN ECONOMIC REVIEW, March, 1914, p. 90. The italics are mine.

intending to compare the quantity or the number of units of certain goods, which relatively direct production would yield this year, with the quantity of the *same* goods, which exactly the same amount and intensity of this year's labor would yield in a later year if the production process were more roundabout. I assumed that a given amount of productive effort would yield 100 this year by direct production and 110 a year later by a more roundabout method, and then tried to show that the rate at which the present goods would be offered for the future, or vice versa, might be directly determined, at least in part, by this difference in the productivity of the two methods. I did not value either the 100 units of present goods or the 110 units of future goods in terms of money or in terms of anything else exchangeable for them. I did not, at the start, even value either in terms of the other. I simply *asked*, given the assumptions as to direct and roundabout productivity, at what rate the present goods would exchange for the future, and tried to arrive at a conclusion. I had, at one time, myself been a believer in the pure psychological theory, and had thought that the productivity theory necessarily contained somewhere a discount-value assumption, either as to the capital which was said to be productive, or as to the wages of laborers, an assumption which rendered it untenable. I was, in consequence, especially careful, when I came to feel that productivity acts directly, so to state myself as to avoid any semblance of *petitio principii*. I am, therefore, compelled to believe that Professor Fetter's firm conviction of the impossibility of showing interest to depend on productivity, without reasoning in a circle, caused him to take for granted that I had done this, instead of attempting to prove that I had.

It is this same conviction that the productivity theorist must assume a rate of interest to prove one, which has led to Professor Fetter's second misunderstanding of my argument. He says:⁴ "Here, as always, the productivity theorist looks at the proximate influence, not at that one step removed; examines the middleman's motive, and ignores the ultimate consumer." And of both Professor Seager and me he says,⁵ "their conception of productivity goes little farther than the personal enterpriser."

It is true that in one or two paragraphs of the article which Professor Fetter criticises, I made allusion to the enterpriser who

⁴ AMERICAN ECONOMIC REVIEW, March, 1914, p. 90.

⁵ *Ibid.*, p. 92.

borrow, and employs labor. This I did in the fear that I might be criticised for dealing with too simple a community and ignoring the complications of modern industry. But, for the most part, I wrote as if assuming a community where each person employed only himself and could engage in roundabout production if he had the accumulated means, where each person might directly borrow of or lend to another, and where each person was at the same time an active producer and an ultimate consumer. If the theory of interest as I presented it in the article in question, has, therefore, any significance at all, it has significance as explaining the fundamental problem, and is not a mere explanation of the relation of middleman-enterpriser's interest to other interest.

Not only do the time-preference theorists explain the value of all capital by the discount process, but they explain cost-of-production in the same way. The expense of hiring labor to construct capital is said to be fixed by the discounted value of the future benefits constructed. The cost of raw material and machinery and, further back, the wages of the labor employed to produce these, likewise depend, directly, only upon the far future benefits to be yielded. The enterpriser, it is asserted, pays for capital and for labor force the discounted value of future benefits and gets the maturing value. Hence, he can afford to borrow and pay interest. But the real interest problem is said to be the problem of valuation of capital and, therefore, of the labor services required to produce capital, at less than the realized future value of the benefits which capital yields.

It is, then, precisely at this point, on the problem of the valuation of capital, that the time-preference theory may be most profitably analyzed. In order to avoid confusing complications and, also, in order to protect ourselves against any possible charge of confining attention to the middleman-enterpriser, let us assume producer and consumer, buyer and seller, employer and employee, lender and borrower, to deal with each other directly.

To picture concretely such a condition of affairs, we may betake ourselves to Crusoe's island after the addition to the island's population of the group of Spaniards. The unimproved land is valueless. It is all "marginal" or "no-rent" land. One acre is as good as another and the supply is more than ample for all who live on the island.

But on part of the land, Crusoe has made valuable improvements. Among other things there are some trees of a certain sort, which

yield nutritious fruit once, a year after being planted, and then die.⁶ On an average there are 110 of the fruit to a tree. Young trees, suitable for planting, grow on a neighboring island, as does also the fruit. This other island is not a suitable place for a permanent habitation. But it can be availed of for its products, and can be reached from Crusoe's island, except at high tide, by fording. At first, Crusoe went to the neighboring island, at picking time, for the fruit of these trees. But he soon found that it took him 10 trips to bring over, with considerable effort, 1,000 of the fruit, because of his limited carrying capacity; while 10 trips or, all things considered, an amount of labor equivalent to that required to bring 1,000 of the fruit, would enable him to bring over and plant 10 young trees. The next year these would yield, altogether, 1,100 of the fruit. Conditions of moisture, fertility, etc., are such that the trees have to get their start, as seedlings, on the neighboring island. Hence a new supply has to be secured each year. But, though it involves a year of waiting, the same amount of labor yields Crusoe 10 per cent more by this roundabout method than by the direct.

Enter now one of the Spaniards. Crusoe has just planted his year's crop of 10 trees. The Spaniard, who, in order to accumulate some capital of his own, is doing more work than is necessary to satisfy his present needs, would like to buy. Crusoe demands payment in terms of the kind of fruit the trees yield. One year hence the trees will yield 1,100 of the fruit without appreciable further labor. How much of the fruit are they now worth? How much will the Spaniard give? How little will Crusoe take? Is the question solely one of time-preference with each, or is something else involved in this *valuation of capital*?

We may begin with the Spaniard. His position is analogous to that of a lender. If he buys the trees, he will be giving up present fruit for future fruit. What is the most he will give? He will be guided in his decision by two considerations. *One* of these is his impatience or *time-preference*. The other is the *cost-of-production* (in the place desired) of the trees. If he dislikes to sacrifice present goods for future unless he gets a return of (say) 5 per cent, he certainly will not give 1,100 of the fruit now for 1,100 a year from now. Even after he has gathered enough fruit,

⁶This assumption is made only for simplicity. It is apparent that the principles involved would be no different on the supposition of (say) a thirty-year life and a yield each year after the tenth. But so complicated an illustration of the principle would make the argument more difficult to follow.

from the neighboring island, to buy the trees, he will refuse to buy them at any price above 1,048, and this refusal may be due to his time-preference. But will he give 1,048 if and because his impatience is only 5 per cent? By no means. For he has to deal with the fact that the same number of trips to the neighboring island and the same amount of labor, which will yield him 1,000 pieces of fruit, would get him 10 trees and plant them. If he has to pay Crusoe 1,048 pieces of fruit, he must work harder and make more trips, to get the means of buying the trees from Crusoe, than to get trees directly. He, therefore, however low his rates of time-preference, will refuse to pay more than 1,000 fruit for 10 trees, so long as he can get and plant 10 trees for himself with the same labor as is required to get the 1,000 fruit. His refusal to give more than 1,000 is not due to high time-preference for present goods but to his desire to get future goods in the cheapest way possible. It is not time-preference at all, but a choice between two different amounts of present labor, yielding the same future result. This is the sense in which the value of capital depends upon *cost-of-production*. The value of the trees cannot go above that amount of other goods which requires the same labor to get *directly*, as the trees do. The goods which could be got directly with the same labor and which must be sacrificed for the present if the trees are directly got instead, may be regarded, in an entirely proper sense, as the *cost-of-production* of the trees. The essential fact is, then, that the prospective purchaser of capital has a choice among not less than three lines of action and not between two only. He is not, as the time-preference theorist would have us believe, restricted to a choice between the present fruit and the future fruit. Instead, he can have the present (*i.e.*, the early or this year's) fruit, or he can have next year's fruit from the purchased trees, or he can have next year's fruit from trees which his own labor procures. Not only the preference for present (or early) consumption will cause him to refuse to pay a too high price for Crusoe's trees; but also his other alternative of producing (in the economic sense of producing—in this illustration, place utilities) the trees by his own labor, will cause him to refuse to pay a too high price in the other possible products of such labor. Would Professor Fetter say that this option, the possibility of producing, more directly, the same kind of capital which the Spaniard contemplates buying with other products, exercises no influence *at all*, immediately, on the price in

present goods, which will be paid for durable capital yielding future goods? Would he say that this option can influence capital value only through first influencing time-preference and, therefor, determining a discount rate? Unless he is prepared to make such assertions, his theory of time-preference ceases to be a universal, all-inclusive explanation of capital value.

We reach a parallel conclusion if we suppose that the Spaniard, instead of buying trees of Crusoe the capitalist, employs Crusoe as a laborer to get the trees, paying him in present fruit. The Spaniard will not be willing to pay Crusoe more than 1,000 fruit for the labor of getting or planting 10 trees. Rather than pay wages appreciably higher, he would himself get and plant the trees desired. To be an employer of labor, advancing present consumable goods for durable capital, he must produce present goods in excess of his own present needs. *But he has the alternative of devoting his surplus time, instead, to the production of durable capital which will serve his future needs.* This possible alternative will make him unwilling, however low his time-preference, to accumulate present goods for the payment of wages, unless his future return from so doing is equally large.

Likewise, if we suppose him to lend to Crusoe, the rate at which he will lend is influenced *directly* by his other alternative, and not merely by his time-preference or by his other alternative acting through the intermediation of time-preference. He will not lend Crusoe 1,000 fruit this year for much less than 1,100 next year, however low may be his time-preference, because the labor necessary to secure him the surplus 1,000 this year above present needs will, if turned to more roundabout production, yield him a return next year of 1,100. He would rather get 1,100 next year as a result of this year's labor in roundabout production, than to get *less* than 1,100 next year as a result of this year's labor in supplying Crusoe's present needs. There is no intention to deny that the surplus productivity of roundabout production also influences time-preference, by influencing the relative endowments of present and future.⁷ Neither is there any intention to deny that the rate of time-preference, by influencing the extent to which roundabout production is carried, affects the marginal gain from such production. In the article⁸ which Professor Fetter criticises, I distinctly asserted both of these facts. The rate of

⁷ See Böhm-Bawerk, *Positive Theorie des Kapitals*, Dritte Auflage (Innsbruck, 1912), p. 468.

⁸ *Quarterly Journal of Economics*, August, 1913.

interest fixed by market competition will also be the rate of time-preference and the rate of surplus productivity of roundabout production. But to assert this is not to assert that time-preference is the sole proximate cause and that all other causes must act through it. As we have just seen, the rate of productivity influences *directly* the supplier of present goods; and the cost-of-production of capital, in the sense here used, has a *direct* influence on the demander of such capital.

Suppose, now, we turn to Crusoe's side of the market, the side of the person who purchases present goods with future. What determines the price at which Crusoe will dispose of his 10 trees, or rather, since this is the important question in the long run for capital valuation, at what price in present fruit will Crusoe be willing to engage in the business of getting, planting, and selling trees? Crusoe, we may suppose, is now permanently on the present goods side of the market. He is no longer accumulating capital and has, perhaps, lost or dissipated what he had. If he produces durable capital, it is only to dispose of it for present consumable goods. Let it be understood that we are not assuming Crusoe to be a middleman. On the contrary, he is here the "ultimate consumer." But he is also a producer. He wants present goods, present fruit. To get this fruit, he must either go to the neighboring island and bring it over or he must buy it of somebody else by offering future goods. Once he has produced these future goods, *i.e.*, secured and planted the 10 trees, time-preference may alone decide at what rate he will exchange them for present fruit. But *before he turns his labor in that direction*, he will consider whether he can get more present fruit by producing durable capital to buy it with or by devoting the same labor to getting the present fruit. Year in and year out Crusoe will not maintain the supply of more durable capital, *i.e.*, will not produce it for sale, except at a price which is as satisfactory to him as the yield of direct production of present goods. The labor necessary to get the 10 trees is the same, on our hypothesis, as the labor necessary to get 1,000 pieces of the fruit. The 10 trees, planted near by, will yield next year 1,100 pieces of fruit.

Crusoe's rate of time-preference of course fixes a minimum below which he will not sell the trees. If his rate of time-preference is 15 per cent, he will not sell them for less than 956 fruit, because he would rather wait for the 1,100 future fruit. But, in the long run, his minimum price is fixed by *two* considerations and not by

one only. The second consideration is his alternative of directly producing the fruit by going to the neighboring island after it. Year in and year out, he will not bring, plant, and sell the trees for less than 1,000 of the fruit. If he cannot secure approximately that price for the trees, he will get the fruit directly instead of trading for it. The possibility of his doing so will itself tend to keep the trees scarce enough to yield that price in terms of the fruit. In other words, he will not sell the trees for less than their cost-of-production measured by the other goods which the same work would produce.

Our conclusion is no different if we assume him to sell his services as a laborer, for wages, instead of selling the trees. He will not work for the Spaniard at the job of getting and planting trees, for a less wage in present fruit than the amount of present fruit which the same labor would give him if applied directly to bringing the fruit from the other island.

But instead of selling trees for present fruit or working for wages in present fruit, Crusoe may borrow present fruit to pay it back next year. Here, also, if he is a *productive* borrower, he is not simply comparing present and future benefits. If he has no accumulations and if, also, it requires all his present labor to provide for his present needs, Crusoe must needs engage in direct production unless he can borrow. If he can borrow 1,000 present fruit, he is relieved from the necessity of getting fruit now for present needs and can get the trees instead. But more than 1,100 fruit next year for 1,000 fruit this year, he will not give, since the former represents *more present labor than the latter*. Only an unproductive borrower would make such a contract and he would soon be eliminated from the market. On the other hand, however low might be his time-preference, Crusoe would still be willing to borrow at any rate of interest less than 10 per cent. To do so would leave him as well off in the present and better off in the future. He would borrow at less than 10 per cent because to do so would give him a larger future income than not to do so. His comparison would be *between two futures, rather than between a present and a future*.

In this discussion, no middlemen, banks, etc., have been assumed. Trade has been supposed to take place in kind. The producer of present goods desired future goods; and the producer of future goods desired present goods. There was specialization and trade. In spite of the assumed absence of complicating fac-

tors, it is believed that the essential elements of the problem have been included. The discount theorist can hardly expect to strengthen his case by making its truth depend upon the number of middlemen coming between the ultimate parties concerned, or upon the use of money, or upon the intermediation of banking.

Let us now turn to the distinction between land and capital, regarding which Professor Fetter has, again, greatly misunderstood my previous article. The distinction is not, strictly, one between land and all other capital. It is a distinction rather between reproducible and non-reproducible goods. The paintings of old masters and business sites in New York City are in the same category. For all practical purposes, they cannot be reproduced. I am not at all arguing that there is no "made land" or that land owes none of its value to work upon it. But so far as its characteristics cannot be reproduced, the value of land is not limited by its cost-of-production. Crusoe could not sell his 10 trees for more than 1,000 pieces of fruit, for that was their equivalent or their cost-of-production. But if the island were crowded, and there were no practical possibility of adding to the land, no such definite limit would determine a minimum price of the land in terms of other goods. The value of this land could be arrived at only by discounting the prospective value of its future yield. The value of reproducible capital is influenced by *two* considerations; that of capital *not* reproducible, by *one*. Whatever Professor Fetter believes about land or sites as being similar to or different from other capital, he probably would not deny that some capital—land, old paintings, original Greek statuary, etc., is not reproducible in quite the sense to the buyer, that houses, factories, trees, etc., are. His theory of valuation (except that the rate of surplus productivity of roundabout production influences even this discount rate) may serve to explain the value of such capital as land. But it never has been shown and cannot be shown that the value of reproducible capital has not as one of its determinants, the cost of its production, in the sense here explained.

I have tried, in this paper, to meet the issue presented by Professor Fetter as squarely as possible by showing just what cost-of-production properly means when it is said that the value of capital depends upon it. Undoubtedly, productivity theorists have been careless in this regard and have, by incomplete analysis, laid themselves open to the charge of taking as cost-of-production something

that itself involved discounting. But it is not necessary to do so. I do not claim any originality of view in thus defending a theory long since held, however incompletely stated, by many economists. Whether for good or ill, a large part of scientific discussion in every age has to be devoted to reestablishing in current thought correct doctrines elaborated by earlier thinkers, but questioned by a few writers of a later date. All possible lines of attack, even if capable of being easily repulsed, cannot possibly be anticipated. Consequently, new and ever more intricate processes of reasoning are invoked against supposedly established principles, attacking them at points where the forces of defense have not previously been compelled to rally. Of such a nature is the attack upon the productivity-theory of interest and the cost-of-production theory of capital. The earlier economists generally believed that the value of capital depends, in large part, directly on its cost of production. This seemed obvious to them as it probably does to most economists today. They did not foresee that attempts would later be made to analyze all costs of production into the discounted value of future services. Hence they did not forestall these attempts. Since these attempts have been made, however, and by economists of note, it becomes important to show that cost-of-production cannot be entirely disposed of as a concept arrived at by first assuming a rate of interest. When this has been shown, even the so-called crude or naïve productivity theorist, who says that interest is a certain per cent because capital of a certain value yields a certain return, is seen to have been, however incomplete his analysis, less fundamentally in error than is sometimes believed.

Professor Fetter ventures to suggest that my treatment of interest is "eclectic,"⁹ because I do not see the explanation of interest in one cause. If to admit that interest is affected both by time-preference and by productivity, is to be eclectic, I can hardly object to the application of the term. Surely there is no special virtue and no special consistency in holding that a given phenomenon is explainable by a single cause instead of by two or more causes.

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⁹ AMERICAN ECONOMIC REVIEW, March, 1914, p. 92.

REVIEWS AND NEW BOOKS

General Works, Theory and Its History

The Reconstruction of Economic Theory. By SIMON N. PATTEN.
(Philadelphia: American Academy of Political and Social
Science. 1912. Pp. 99.)

Ten years ago a collegiate examiner could with reasonable confidence exact of his undergraduate class, "an outline of the economic doctrines of S. N. Patten." There was a coherence in the *Premises of Political Economy*, the *Consumption of Wealth*, the *Theory of Dynamic Economics*, even the *Theory of Prosperity*, which if not always obvious was at least definite. Today not even a doctoral candidate could be safely exposed to the test of setting forth the place of the *Development of English Thought*, the *Social Basis of Religion*, and this last *Reconstruction of Economic Theory* in the author's economic system. In a large part this heightened difficulty reflects the greater range of Professor Patten's thought. The economic environment has become more intricate and new forces have had play. But more important than such objective change has been a widening of intellectual interest on the part of the author. The student reader has accordingly to do not only with the daring expressions, the startling analogies, the elliptical arguments that have always characterized Professor Patten's writing, but he must cope with a new complexity of thought, sometimes intricate and often bewildering.

Professor Patten's thesis is that economic theory must be restated in the light of facts and statistics rather than of prophecy and deductive laws. He proposes to attempt such a reconstruction both as to premises and doctrines. But the actual performance is very different. We are given a brilliant critique of economic philosophy, not an inductive synthesis of economic doctrines. The service is distinguished, but the reader harks back to the promise of title page and introduction with disappointment.

Professor Patten maintains that the development of American economic thought in the last three decades falls into three periods: the first, extending from 1884 to 1890, witnessed the rise of the school of deductive theorists; the decade from 1890 to 1900 saw the growth of an economic interpretation of history; while the period from 1900 has been characterized by the increasing influence of socialism. Out of this evolution has come the indepen-

dence of American from European thought ("we are no longer under the tutelage of England and Germany"), and the victory of economic "pluralism" over economic "monism." The present problem is to effect a reconstruction of economic theory based on "industrial changes already made, and on social reorganization plainly manifest." The socialism which has become the keynote of American economic thought is itself, however, an historical product, centering about Marx's arrival in England and his conversion of "a philosophy designed to settle English industrial problems into a mechanism to promote a revolution in Germany." This socialistic philosophy has in turn yielded in the United States to newer types—"street socialism," "state socialism," "collegiate socialism," "sociological socialism." An interesting discussion of John Stuart Mill's mental history prepares the way for a series of chapters on the theory of distribution—the failures of the past, a restatement for the present, practical applications for the future. Professor Patten's opinion seems to be, in so far as the present writer is able to grasp its many-sided expression, that the social surplus is distributed through group pressure on prices and not by natural law. Chapters on the high cost of living, voluntary socialism, the measure of progress, and the outlook conclude the study.

As one of the considerable company who owe much to the immediate inspiration and direct stimulus of Professor Patten, and who gratefully acknowledge the indebtedness, the present reviewer cannot but voice the hope that the author will expand and amplify this brochure of 100 pages into the larger volume for which material is here abundantly present.

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Political Economy. Designed for Use in Catholic Colleges, High Schools and Academies. By E. J. BURKE. (New York: American Book Company. 1913. Pp. xvi, 479. \$1.40.)

The question suggested by the title of this book, Why need there be a treatise on economics designed for Catholic institutions? is answered in the preface by the statement that "a special feature of the work is to show the Catholic doctrine wherever the subjects enter into or touch on the domain of ethics." These subjects seem to be socialism, distribution in general, interest, wages. That the author speaks authoritatively may be assumed from the fact

that he is now professor of political economy in one of the most prominent Catholic educational institutions in the country and was formerly in the same work in another similar institution; and that the book is approved by the censor and allowed to be printed by the archbishop of New York, Cardinal Farley.

The Catholic doctrine on these points may be summed up in the statement that revelation and the Church demand charity and forbearance on the part of the powerful and resignation on the part of the laborer, for "the moment of compensation, of perfect justice, will come, if not in this life, then in the life of eternity" (p. 386); and that, in the words of Leo XIII, "no strength, no artifice, will ever succeed in banishing from human life the ills and troubles which beset it" (p. 387).

The order of topics treated is significant. Distribution is placed at the very end after consideration of protection and free trade, government ownership, corporations and trusts, taxation and public debts, insurance, socialism, and in no way has any vital relation either with value on the one hand or concrete problems on the other. This failure to use the results of a study of distribution as a basis for consideration of social problems is due to the author's neglect to appreciate either the scientific or historical point of view and to his erroneous interpretation of economic theory. This appears throughout the book, but a few concrete examples may be presented. Confusion as to the nature of economic law appears repeatedly, as when it is said (p. 3) that the laws of political economy may be classified as: "(1) obligatory moral laws; (2) historical and directive moral laws; (3) physical laws." Political economy is continually regarded as an art, as in saying (p. 4) that "political economy is subject to the law of ethics"; and also (p. 6) that it is "subordinate to political science." Again (p. 71) certain laudable wishes are described as "laws of production." In this connection it may be worth noting (p. 7) that "for the Catholic economist the sources of the ethical principles that enter into political economy are (1) dogmatic truths; (2) the teachings of the Church, *e.g.*, the encyclical of Leo XIII; (3) the natural law and its applications as made by moral theology."

There is a constant lack of exactness in classification, as, for example, when in classifying wants (p. 33), they are "said to embrace the following things: food, clothing, lodging and luxuries." Are not a large part of our luxuries food, clothing,

lodging? Again in saying (p. 39) "the proximate cause of the value of a thing is the desire men have for that thing; the remote causes are its utility to satisfy a want, its scarcity, and its difficulty of production," and (p. 45) "the economic value is caused by three factors—the utility of the object to satisfy a want, the scarcity of the object and the difficulty of attainment or of production," there is a confusion of market and normal values and a failure to see that scarcity is only another way of saying difficulty of production.

The author's grasp of the principle of marginal utility "called by Marshall the law of the diminution of marginal utility" may be judged from his statement (p. 43) that "there will be an average degree of utility for the great majority of all the individuals, and this average marginal utility will determine the average marginal value, which will be the actual value of the commodity"; but on the next page he concludes "marginal utility cannot be a general determinant of value." The author's failure to grasp even the elements of the theory of value is shown by his statement (p. 45) that "the price of any object should bear some relation to the value of the object"; and the amazing statement (p. 53) that "when demand is equal to supply, price is normal." Does not Professor Burke see that every price, however abnormal, resulting in an exchange is one that means equality of demand and supply? Much space is given to disproving that "if demand is doubled, the supply remaining the same, the price is doubled; and, if the supply is doubled, the demand remaining the same, the price is reduced one half" which is said to be a law stated by the "liberal school."

A few misleading or erroneous statements may be indicated: the mercantile system "held that wealth consisted exclusively of money" (p. 7); Adam Smith "did not treat distribution at all, limiting his study to production alone" (p. 384); "the mathematical school [Cournot, Walras, Edgeworth] which deals largely in statistics . . . all the various factors that enter into economics are submitted to statistics, and the law of probabilities is derived and held to be absolute" (p. 13); the Austrian school "has exerted a certain influence on economic thought." Having defined socialism as democratic, political collectivism, Rodbertus, Proudhon, Owen, Fourier are given among its propagators. The desire for iron is "natural"; that for gold, diamonds, pianos is "artificial" (p. 39). "Most of the fundamental principles set forth

today by modern economists were known years ago to Catholic writers" (p. 46). Marx's doctrine of labor value is misstated (p. 41); rent is said without qualification to be an element in the cost of production (p. 68); and, although later (p. 395) it is said in giving the Ricardian doctrine that according to this rent does not affect the price of agricultural products, the author shortly after (p. 400) calls this doctrine "in great measure fanciful and contrary to facts"; and after stating that an increase of capital and labor to land will increase the total returns, it is said, "hence is derived what is called by some the law of increasing returns" (p. 74). The treatment of distribution is a mixture of unassimilated reading, inconsistent theories, and dogmatic ethical precept. On many concrete economic questions there is a reasonably good presentation of opposing arguments, but it is frequently only a condensation, with acknowledgment, of the treatment by such authors as Gide, Walker, or Hobson.

The principles of the "Catholic school" seem not inconsistent with a radical progressive program including the minimum wage. But all attempts at improvement will be in vain except as supplemented and guided by the Church which "is not merely a teacher. It is moreover the dispenser of God's grace through sacrament."

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Les Lois de la Sociologie Economique. By ARTHUR BOCHARD.
(Paris: Librairie Marcel Rivière et Cie. 1913. Pp. 352.
8 fr.)

It is inevitable that economics should be rewritten as sociology advances. The construction of a sociological economics and of an economic sociology is well under way in this country; but even greater efforts are being made in France to bring the two subjects into harmony. To the economist it may seem nearly as hazardous to base economic theory upon the results of contemporary sociology as it would be to base it upon the results of metaphysical speculation. Contemporary sociology, however, includes certain well-established facts and principles regarding the origin and development, structure and functioning of human groups, which the economist can no longer afford to ignore. For this reason attempts like this of M. Bochard, who is secretary of the Sociological Society of Paris, to bring together economics and sociology in something like an organic union are certainly to be commended, even though the work may seem to us very faultily done.

From an examination of the different schools of sociological theory, M. Bochard finds truth in at least three, namely, the imitation theory of Tarde, the constraint theory of Durkheim, and the economic determinism of Marx and Loria. He sets out, accordingly, to make a synthesis of their views and to construct upon its basis a sociological economics and an economic sociology. Though he believes that the economic determinists have come nearer to scientific truth than other sociologists, he recognizes that they take an altogether too narrow view of the social life. Bochard even goes so far as to quote with approval deRoberty's dictum that in sociology the ideological element "transforms and models nature at least as much as nature transforms and models it." Accordingly, with Tarde he would give a great role to invention, especially economic and technological inventions, in social evolution. It is the diffusion through imitation of these *plus* the constraint offered by the regulative institutions in society, such as law, government, education, religion, and morality, which determines the social life. Thus our author escapes a rigid economic determinism, though he believes that the economic factor, if we include in that phrase technological inventions, does play a preponderant part in determining the social life. He even goes so far as to speak of the inventions in the economic and technological realm as being the *cause* of the "imaginary" inventions in the realm of religious beliefs and practices.

Following this clue he attacks the problem of value, the genesis and transformations of capital, and the nature of labor and of wealth. Then he takes up the application of his principles to the non-economic phases of the social life, and shows successively the economic bases of law, of art, of language, of religious belief, and of morality.

I shall attempt no detailed criticism of M. Bochard's work. It is, indeed, to be commended above most works of its class, because the point of view maintained throughout is to a certain extent synthetic. But the question may well be raised whether having conceded as much as he has to non-economic factors in social evolution, he should not have gone a step further and attempted to include all factors whose actual presence can be shown in the interactions between individuals. While M. Bochard, for example, fully recognizes imitation and constraint as at work in social processes, he says nothing of the workings of sympathy and the "consciousness of kind." Again, while he says explicitly that

the individual is not subjected purely and simply to the action of the environment, yet he does not seem to leave sufficient place in social life for the influence of creative imagination and constructive reasoning, since he claims that the "real" inventions of the economic life are the cause of the "imaginary" inventions of the religious life. Can he even refuse to admit as active in the social life the biologic or eugenic factor? Can any one, once having given up a rigorous economic determinism and having admitted the power in the social life of man of "the psychic factor," logically stop short of recognizing the influence of all demonstrable factors and of proceeding to a synthetic view of the process of social development?

CHARLES A. ELLWOOD.

University of Missouri.

La Politique Economique Internationale. By RUDOLPH KOBATSCH. Translated from the German and brought down to date by GUIDO PILATI in collaboration with A. BELLACO. (Paris: Giard et E. Brière. 1913. Pp. vii, 496. 12 fr.)

Eléments d'Economie Politique. By BERTRAND NOGARO. Two volumes. (Paris: M. Giard et E. Brière. 1913; 1914. Pp. 388; 291. 6 fr.; 4 fr.)

Kobatsch wishes to elevate "international political economy" to the rank of a separate science, a position warranted, he thinks, by its importance and the extensive literature it possesses. This literature, however, has included as yet no thorough scientific treatment of the subject. Adam Smith, Quesnay, and List have, indeed, contributed beginnings of such a treatment, but the great mass of publications in this field is made up of polemic presentations of special topics, and simple enumerations of facts. The author bases the new science on the application of Spencer's concept of evolution to the economic relationship between nations. This relationship shows a general trend of development from a conflict of interests, due to the differentiation of national groups, to a continually increasing community of interests which arises from increasing integration and interdependence. The several phases of the relationship, namely, movements of people in connection with commerce or through migration, and movements of things—merchandise and capital—are considered from the viewpoint of their relations to this conflict and to the subsequent community of interests wherever that has come about. This involves, espe-

cially, extended theoretical discussions of emigration and immigration policies and of the question of tariff and free trade. A review of the historical changes in the attitude of nations towards each other with regard to their economic relations brings the author finally to a consideration of the policy now prevailing, "internationalism," which finds expression through *ententes* of various kinds. This part of his work the author describes as a mere incomplete outline, and a future volume is promised which shall "fill in the inevitable lacunae, study more minutely the different phases of evolution, and formulate a complete doctrine of internationalism."

The volumes of M. Nogaro present in brief form the subject-matter of a course given for first and second year students of the University of Caen. They follow in general the classical divisions of the field, the first volume dealing with production and exchange, and the second with distribution and consumption. A brief but fairly proportioned history of economic thought concludes the second volume. Beyond this general division the author expresses his intention of "giving up the simpler methods of subdivision, although with resulting complexity and repetition, in order to work carefully from the known to the unknown and so make possible the presentation of certain problems usually considered too difficult for an elementary work." This purpose has been carried out for the most part only in the treatment of the subjects of money, banking, and international exchange. Professor Nogaro is the author of a number of books on these subjects and is evidently dealing with his favorite topics in this part of "The Elements," which constitutes about two thirds of the whole first volume. Both the underlying theory and the concrete descriptive material are presented in considerable detail and they are treated in separate chapters. A separate section is devoted to the theory of credit. The relative amount of space given to the topics usually found under production and distribution is rendered still less by the presence in each of these books of a section on the relations of the government to economic activity through state enterprise and legislation. The book on consumption treats the subjects of consumers' coöperation, savings banks, and insurance, both private and state.

The author acknowledges, both in his preface and by numerous citations throughout the work, his indebtedness to classic economic

thought. In the discussion of value theories, which opens the book on distribution, and in theories of distribution, the references are mainly to the leading Austrians and to several American theorists, notably J. B. Clark and Irving Fisher. The treatment of theoretical points is in the main an eclectic one.

LEONA M. POWELL.

Vassar College.

Kapitalzins und Preisbewegung. By KARL ADLER. (Leipzig. Duncker und Humblot. 1913. Pp. 48. 1.20 M.)

This little essay is an interesting evidence of reaction within the Austrian school from the extreme subjective tendencies of the founders. Value is treated as originating in the combination of the two principles, the subjective and the objective, the former functioning in the realm of motivation, the latter in the field of physical causation. The flow of value, in its subjective aspect, is from the finished products to the means of production; in its objective aspect, the flow is in the reverse direction. Fact and circumstance determine in each particular case which influence shall predominate.

On this basis it is easy to reconstruct a modified productivity theory of interest, and this is the chief purpose of Dr. Adler. He presents (pp. 22 *et seq.*) a very ingenious criticism of Böhm-Bawerk's theory. It is his contention that of the three grounds of interest offered by Böhm-Bawerk, the two that alone have general validity—the technical superiority of present goods and the superiority of future over present in provision for wants—are essentially of a productivity character. The productivity character of the former no one will dispute. That the latter is of the same character can be denied only on the ground of an irrationally materialistic conception of return. A reasonable person is willing to pay interest on a loan that enables him to live until the harvest. Such a loan is a condition upon which the harvest depends, and is obviously to be regarded as productive. A rational person with a present income of \$1,000 and an income of \$10,000 assured in one year or two will borrow money for raising his present standard of living. The loan enables him to secure a surplus of utility: why then should we not class it as productive, and seek in the measure of superiority in utility an explanation of the interest rate essentially identical with the productivity explanation?

Dr. Adler proposes to amend the interest theory of Böhm-Bawerk so that it will read: "Interest rests primarily and chiefly

upon the superior productiveness of the roundabout production process (productivity); secondarily and incidentally, present goods are preferred to future goods quite without reference to their productivity" (pp. 24). Thus amended, the elements of the theory—according to Dr. Adler—are presented in their proper coördination.

It is needless to say that questions of such difficulty cannot be exhaustively treated in a monograph of forty-eight pages. Dr. Adler's treatment is merely suggestive, but the quality of his work is such that the student of economic theory will hope that at another time Dr. Adler may present his doctrine fully elaborated.

ALVIN S. JOHNSON.

Cornell University.

NEW BOOKS

BARONE, E. *Principi di economica politica*. (Rome: Athenaeum. 1913. Pp. vii, 317. 7.50 l.)

DAVENPORT, H. J. *The economics of enterprise*. (New York: Macmillan. 1913. Pp. xvi, 544. \$2.25.)

To be reviewed.

DEFOURNY, M. *La méthode des sciences sociales*. (Louvain: Institut Supérieur de Philos. 1913. Pp. 64.)

VON DEGENFELD-SCHONBURG, F. *Die Lohntheorien von Adam Smith, Ricardo, J. S. Mill, und Marx*. (Munich: Duncker & Humblot. 1914. 3 M.)

HOAG, C. G. *A theory of interest*. (New York: Macmillan. 1914. Pp. xi, 228. \$1.50.)

To be reviewed.

MASON, A. B. *A primer of political economy in sixteen definitions and forty-one propositions*. (Chicago: McClurg. 1914. Pp. x, 101. 50c.)

MILLS, H. E. *Outlines of economics*. (Poughkeepsie, N. Y.: The author. 1913. Pp. 138.)

This little volume sets forth in topical outline the fundamental points of economic principles and is designed to serve as a basis for the first year's work. It is of the "quiz-compend" type, being primarily a summary, but not so completely as to exclude suggestions. It is fitted to supplement the ordinary texts as a guide to the student in his reading. On disputed points the attitude is impartial; settled points are set forth with concise, clear, definition. Fallacious interpretations are contrasted with correct ones.

D. C. B.

PERNET, *Pierre le Grand mercantiliste. Etude sommaire pour servir à l'histoire des doctrines économiques*. (Paris: Pichon & Durand-Auzias. 1913. Pp. 183. 5 fr.)

- SCHMIDT, K. *Ausgewählte Abschnitte aus der Wirtschaftslehre, bearbeitet für Techniker und Studierende technischer Lehranstalten.* (Leipzig: Wilhelm Engelmann. 1913. Pp. iv, 124. 3.60 M.)
- SIEGFRIED, B. *Repetitorium der Nationalökonomie.* (Bern: Drechsel. 1914. Pp. 104.)
- TREVISONNO, N. *Teoria dell'equilibrio economico.* (Rome: B. Lux. 1913. Pp. 102. 3 l.)

Economic History and Geography

The Old Colonial System, 1660-1754. Part I. *The Establishment of the System, 1660-1688.* By GEORGE LOUIS BEER. In two volumes. (New York: The Macmillan Company. 1912. Pp. xvi, 381; vii, 382. \$4.00.)

It has been twenty years since Mr. Beer's *Commercial Policy of England toward the American Colonies* appeared. Many a teacher is still referring his students to it and many a historian is still finding it useful because of its stimulating points of view and sound scholarship. It has become, in fact, a standard reference. But its author treated it only as the beginning of a thorough study of the old colonial system. Since then he has spent long years of patient research in the Colonial State Papers, in the Domestic and Foreign Papers, in the records of the Treasury and of the Admiralty (all of the Public Record Office in London), in the manuscripts of the British Museum and of the Bodleian, in printed statutes, parliamentary debates, contemporary pamphlets, and in many other miscellaneous sources, printed and in manuscript, scattered far and wide. Only those who have followed Mr. Beer's work in recent years—*British Colonial Policy, 1754-1765*; *Origins of the British Colonial System, 1578-1660*, and now the work under review—can appreciate the debt which historians owe to him for his thorough study of this imposing mass of material, and more still for the clear, illuminating accounts which he has given as the results of his study.

Having made a study of the origins in a previous volume, Mr. Beer enters now upon the study of the old colonial system proper and deals more particularly, in the two volumes at hand, with the establishment of the system. The whole of the first volume, with the exception of the last chapter (The Slave-Trade and the Plantation Colonies), is devoted to a consideration of the colonial policy of the period, of the laws of trade and imperial defense, of the English fiscal system and imperial finances, and of central and

local administrative machinery. Students will find in this volume by far our best accounts of many important measures and principles and institutions which go to make up the old colonial system. In chapter 2, for instance, is to be found the clearest and most satisfactory story extant of the Navigation Act of 1660, which we are told, "introduced no fundamentally new principle in the regulation of colonial trade." The only "distinctly original features" were contained in the famous clause dealing with the "enumerated" commodities, which, curiously enough, were added "at the last moment apparently under the inspiration of Downing," a nephew of the elder John Winthrop and trained in New England. Again in chapter 3 is to be found our first satisfactory account of the English fiscal system and of its relation to the economic development of the colonies. The author has certainly succeeded in proving that this relation was very vital, a fact which makes this chapter stand out as a valuable contribution to our knowledge. The prohibition to plant tobacco in England, for instance, has hitherto been treated as a concession of small moment on the part of the mother country to her colonies, but Mr. Beer shows that it required no less than "seventy years of constant effort and energetic measures to uproot this industry." The famous four and a half per cent export duty laid in Barbadoes in 1663, too, is treated with new light, and the prominent part which it played in the relations of that colony with England set forth.

In his second volume the author turns to a study of the various colonies or groups of colonies in order to see how far they were affected by the regulations of the system. Thus we have chapters on Barbadoes and the Leeward Islands, Virginia and Maryland, Newfoundland, Massachusetts, etc. In these chapters is "something more and something less than merely an economic history," where the student again will find the same fresh, original treatment of old and new subjects. The chapter on Newfoundland, especially, will make one grateful, because it is the first satisfactory account of that colony; while the chapters on the New England colonies will prove a source of unusual pleasure and profit. In no other study is there to be found such a clear statement of the position which the New England colonies came to occupy in the old empire, as in the following quotation:

The seventeenth and eighteenth century statesmen aimed primarily to create a self-sufficient commercial empire of mutually complementary economic parts. As New England did not fit into such a scheme,

its political connection with England was constantly a disturbing factor, interfering with the plans of the English government. Despite persistent efforts, it could not be moulded into the proper economic shape. It remained always a centre of disharmony, out of accord with the spirit of British imperialism until ultimately, when events were favorable, its secession and that of the other continental colonies disrupted the old commercial empire.

To make this point still clearer the author draws for us a most interesting parallel between Gaul in the Roman Empire and New England in the British (pp. 235-236).

The only disappointing feature of Mr. Beer's study is the fact that he has failed to give us separate chapters on the tobacco and sugar industries like the one on the slave trade at the close of the first volume. This would have involved some repetition, for these industries are treated partially in the chapters on the several plantation colonies. But surely one has a right to expect some comprehensive survey of the legislation which regulated the production and commerce of such important products and some general statement of the results in the colonies producing them. It is only by a laborious use of the index that one is able to get at these general results for himself. Then perhaps a closing chapter should have been added containing a general survey and summary. A scholar's work is never complete until he has in some large, general way made a synthesis of his results. This Mr. Beer has failed to do.

After the appearance of the volumes promised for the period 1689-1754, we shall have from the same pen a most complete and scholarly history of the old colonial system. It will stand as one of the few real contributions made by American historians of this generation.

STEWART L. MIMS.

Yale University.

An Industrial History of the American People. By J. R. H. MOORE. (New York: The Macmillan Company. 1913. Pp. xiii, 496. \$1.25.)

This volume is primarily an enterprise in pedagogy. The author's purpose is to interest and instruct high-school students rather than to write history. Accordingly he has selected those features of the economic life of the American people which seem to him best suited to his purpose and has traced them through the course of our history. There are chapters on the fisheries, the fur trade, the lumber industry, the domestic problem, by which he

means the problem of securing a supply of laborers, on agriculture, commerce and currency, and colonial government. These have to do almost entirely with the colonial period and make up somewhat more than half of the volume. The remainder covers the period of our national history and is arranged in five chapters discussing the city problem, agriculture in the nineteenth century, the money question, manufacturing in the nineteenth century, and transportation. Obviously, such a plan is but poorly adapted to give a correct general view of the economic life of the American people. It is difficult to make out the economic situation of the country at any particular time and to distinguish the influences which produced that situation.

The author shows a wide knowledge of the facts of our economic history, but has not chosen a good arrangement for setting them forth. Many matters are treated in chapters with whose general subject they have but a remote connection. Thus the tariff policy of the federal government is dealt with chiefly in the chapter on agriculture in the nineteenth century, and immigration in the one on the city problem. Nowhere is there a thorough consideration of the influence of the tariff policy upon the growth of manufactures, nor of immigration upon labor problems, either in the early period when the difficulty was to create a wage-earning class or in more recent times when the problem is to protect that class. To a large extent the same criticism holds true of the treatment of England's commercial policy toward the colonies, and of the whole subject of slavery. The author has no conception whatever of the importance of negro slavery in colonial history, since he confines his attention to the continental colonies and never considers the whole commercial empire of which they formed a part.

These defects are largely due to the fact that economic history and economic theory appear to be entirely divided in the author's mind. Economic theory attempts to explain the process by which wealth is produced and shared as income by a community under present conditions. Economic history should describe and explain that process as it has existed in a particular country during the different stages of its development. Economic theory should therefore serve as a guide to the economic historian. No one is likely to comprehend the economic life of any people in the past who has not thoroughly studied present conditions and mastered the science which attempts to explain them. The author disregards this connection altogether. He undertakes to make clear, this com-

plex, economic process among the American people, with all the problems to which it has given rise during the course of our history, to students who have not even an elementary knowledge of economic science. The success of the project seems to me more than doubtful. The book may interest high-school students and make them familiar with some phases of the economic activity of our people—indeed it must be said that it is decidedly more readable than any similar work which has yet appeared on the subject; but it is hardly calculated to lead the persons for whom it was written to “weigh and consider” so as to become “thoughtful students of men and events.”

GUY S. CALLENDER.

Yale University.

English Industries of the Middle Ages. Being an Introduction to the Industrial History of Medieval England. By L. F. SALZMANN. (Boston: Houghton Mifflin Company. 1913. Pp. xi, 260. \$2.00.)

The author describes mining, quarrying, metal working, pottery, cloth making, leather working, and brewing, “showing as far as possible their chief centres, their chronological development, the conditions and the methods of working.” He excludes agriculture from his definition of industry, though including wool growing and fishing. He omits the building industry, for which he had “collected a great mass of material,” because the “material available was so exceedingly technical, the obscurity of the details so greatly in excess of their value when elucidated, as to render such a section rather a weariness and a stumbling-block to the student than a help.” This self-restraint is indicative of the author’s attitude and the character of the book, which is intended to be useful and not a mere monument to zeal in research. In the last chapter he attempts to outline “the general principles that govern the control of industry.” This chapter is necessarily less novel and less important than the other sections.

The book is extremely useful. It is a pioneer volume, and only one of the subjects, tin mining, had been adequately treated for the medieval period; for the other lines of industry, such a summary is, as far as my knowledge extends, not accessible anywhere else. It is also a guide to the best of the printed material for each topic. In particular, it indicates the wealth of information to be found in the *Victoria County Histories*, which have not as yet been

sufficiently used for economic history. A large proportion of the data, however, is drawn from manuscript records, and references are given which will make the task of the next student easier. Also the book will suggest many subjects for profitable investigation, *e.g.*, the cloth industry, which would illustrate the history of the trade unions, the frauds in manufacturing, the devices for restricting output and enhancing prices, the rise of the capitalist, governmental attempts to control industry for the benefit of the consumers, and many other details.

Lastly, this book is valuable in correcting false ideas which are too common:

Sentimental admirers of the past are apt to imagine that the medieval workman loved a piece of good work for its own sake and never scamped a job. Nothing could be further from the truth. The medieval craftsman was not called a man of craft for nothing! He had no more conscience than a plumber, and his knowledge of ways that are dark and tricks that are vain was extensive and peculiar.

A good index of 20 pages makes it easy to use this collection of facts. The lapses, such as omission of references (*e.g.*, p. 139, for the exports of English cloth), are relatively few. They can easily be corrected in a second edition.

DANA C. MUNRO.

University of Wisconsin.

NEW BOOKS

ANDRILLON, H. *L'expansion de l'Allemagne. Ses causes, ses formes, ses conséquences.* (Paris: Rivière. 1914. Pp. 364. 3.50 fr.)

To be reviewed.

ARENT, A. *Argentinien, ein Land der Zukunft.* (Munich: Max Steinebach. 1913. Pp. 250. 6 M.)

BANCA COMMERCIALE ITALIANA. *Cenni statistici sul movimento economico dell'Italia. Progresso economico dell'Italia nel 1893-1912.* (Milan: Capriolo & Massimino. 1913. Pp. 258.)

BACHI, R. *L'Italia economica nel 1912.* (Torin: Soc. Tip. Edit. Nazionale. 1913. Pp. xx, 285. 5.50 l.)

BOISSONNADE, P. *Les études relatives à l'histoire économique de l'Espagne et leurs résultats.* (Paris: Cerf. 1913. Pp. 156.)

BOSCH, R. *Der Kornhandel der Nord-, Ost-, Innerschweiz und der ennetbirgischen Vogteien im 15. und 16. Jahrhundert.* (Zurich: Beer. 1913. Pp. viii, 173. 3.60 M.)

BRADLEY, R. M. *The English housewife in the seventeenth and eighteenth centuries.* (London: Arnold. 1913. Pp. 348.)

- BROWN, C. S. V. *The South American year book, 1913.* (London: Cassier. 1913. 31s. 6d.)
- BUCKLE, H. T. *History of civilization in England.* (New York: Hearst's International Library Co. 1913. Two vols. \$1.)
From the second London edition with an introduction by Arthur Brisbane.
- CHEYNEY, E. P. *A history of England. From the defeat of the Armada to the death of Elizabeth. With an account of English institutions during the later 16th and 17th centuries.* Vol. 1. (London: Longmans. 1914. Pp. 570. 16s.)
- DENIS, H. *Les phases de l'histoire des prix depuis 1850 et la corrélation des phénomènes économiques.* (Brussels: Hayez. 1913. Pp. 67, 16 diagrams.)
- DICKINSON, H. W. *Robert Fulton, engineer and artist; his life and works.* (New York: Lane. 1914. Pp. xiv, 333. \$3.)
- ENGELBRECHT, E. *Die Agrarverfassung des Ermlandes und ihre historische Entwicklung.* Staats- und Sozialwissenschaftliche Forschungen, 169. (Leipzig: Duncker & Humblot. 1913. 6.50 M.)
- FAUST, R. *Winzernot. Ein Beitrag zur Wirtschaftsgeschichte der Gegenwart.* (Trier: Paulinus-Druckerei. 1913. Pp. 50. 1 M.)
- GARRETT, C. W. *Pennsylvania lines west of Pittsburgh; a history of the flood of March, 1913.* (Pittsburgh, Pa.: W. G. Johnston & Co. 1913. Pp. 257, illus.)
- HART, A. B., editor. *Social and economic forces in American history. From the American nation: a history.* (New York: Harper. 1913. Pp. 523. \$1.50.)

This book, which promises so much in its title, turns out to be a collection of selected chapters from the 27 volumes of the *American Nation* series. The main emphasis is placed upon the social development of the people, and consequently those chapters in each volume which deal with this phase have been selected to make up the book. Economic forces or results receive occasional mention, but no connected treatment. Indeed, this criticism must be made of the book as a whole; necessarily there is a jerkiness and unevenness about it, a lack of continuity or consistency. The compiler has not attempted to fill in any of the gaps, but has confined himself strictly to the use of shears and paste.

And yet, in spite of the criticism that must be visited upon such methods of making books (*ein Buch zusammenschmieren*), it must be admitted that this volume has certain merits. There are brought together between two covers those chapters which chiefly differentiated the *American Nation* series from other histories of the United States, and there is thus provided a convenient volume of collateral readings for the teacher of social or economic history. Many of the chapters are undoubtedly the best treatment in short space of their respective subjects. Of the 28 chapters, Professor Turner's

Rise of the New West contributes seven, while four are drawn from Professor Hart's two volumes; fourteen other authors are represented in the remaining chapters.

E. L. B.

HASSETT, K. *Allgemeine Verkehrsgeographie*. (Berlin: Göschen. 1913. Pp. viii, 494. 10 M.)

HAYEM, J. *Mémoires et documents pour servir à l'histoire du commerce et de l'industrie en France*. Third series. (Paris: Hachette. 1913. Pp. xii, 321. 7.50 fr.)

The third volume of Hayem's series keeps to the good standard set by the earlier volumes, which have already been noticed in this REVIEW. The contents are of less general interest in that two thirds of the volume are devoted to a local study on protection against fire in Paris under the old régime, but this article includes also some consideration of the Paris fairs and markets, and other articles contain valuable studies on the industrial history and geography of France before 1789. Professor Vauthier contributes (pp. 91-106) material from the French archives on the commercial relations of France and the United States, 1789-1913.

CLIVE DAY.

HIRSCH, L. *Die geistige und wirtschaftliche Entwicklung der Republik Paraguay*. (Vienna: Karl Fromme. 1913. Pp. 488. 1.25 M.)

LINDEMANN, H., SCHWANDER, R., and SUEDEKUM, editors. *Kommunales Jahrbuch. Sechster Jahrgang. 1913-14*. (Jena: Fischer. 1914. 23 M.)

MAGNUS, F. *Aegypten. Seine volkswirtschaftlichen Grundlagen und sein Wirtschaftsleben*. (Tubingen: Mohr. 1913. Pp. xvi, 252. 6 M.)

MANSFIELD, R. E. *Progressive Chile*. (New York: Neale Pub. 1913. Pp. 254. \$2.)

MAYER, E. *Geschichte des deutschen Handwerks. Geschichtliche Jugend- und Volksbibliothek*, 43. (Regensburg: G. J. Manz. 1913. Pp. viii, 138. 1.20 M.)

VON MONSTERBERG, E. *Hamburg und sein Wirtschaftsleben. Soziale Studienfahrten*, 9. (M.-Gladbach: Volksvereins-Verlag. 1913. Pp. 16. 1 M.)

OFFERGELD, W. *Grundlagen und Ursachen der industriellen Entwicklung Ungarns. Probleme der Weltwirtschaft*, 17. (Jena: Fischer. 1914. Pp. v, 286, illus. 9 M.)

VON PILSACH, S. *Landwirtschaftliche Verhältnisse in Argentinien's Ackerbauzone*. (Berlin-Friedenau: Franz Ledermann. 1913. Pp. 95. 2 M.)

RIVERS, W. H. R. *Kinship and social organisation*. (London: Constable. 1914. Pp. vii, 96.)

SALZ, A. *Geschichte der Böhmisches Industrie in der Neuzeit*. (Munich: Duncker & Humblot. 1913. 16 M.)

SCHMIDT, F. *England. Verfassung, Verwaltung, Volkswirtschaft.* Staatsbürger Bibliothek, 30. (M.-Gladbach: Volksvereins-Verlag. 1913. Pp. 71. 0.40 M.)

SEIDEL, V. *Der Beginn der deutschen Besiedlung Schlesiens.* Darstellungen und Quellen zur schlesischen Geschichte, 17. (Breslau: Ferdinand Hirt. 1913. Pp. ix, 170. 3.50 M.)

VON SEYDLING, E. *Allgemeine Wirtschaftsgeographie in kurzgefasster Darstellung. Deutschland Stellung in der Weltwirtschaft.* (Breslau: Ferdinand Hirt. 1913. Pp. 88. 1 M.)

VOIGT, B. *Deutsch-Südwestafrika. Land und Leute.* (Stuttgart: Strecker & Schröder. 1913. Pp. xii, 111. 2.50 M.)

WEBB, J. J. *Industrial Dublin since 1698, and the silk industry in Dublin.* (London: Maunsel. 1914. Pp. 220. 2s. 6d.)

ZIELENZIGER, K. *Die alten deutschen Kammeralisten. Ein Beitrag zur Geschichte der Nationalökonomie und zum Problem des Merkantilismus.* (Jena: Fischer. 1914. Pp. xiii, 468. 12 M.)

Année sociale internationale, 1913-1914. (Reims: Action Populaire. 1913. Pp. 1,256. 10 fr.)

Die Balkan Staaten (Bulgarien, Griechenland, Montenegro, Rumänien, Serbien, Albanien). Verfassung, Verwaltung, Volkswirtschaft. Staatsbürger-Bibliothek, 35. (M.-Gladbach: Volksvereins-Verlag. 1913. Pp. 72. 0.40 M.)

Agriculture, Mining, Forestry, and Fisheries

The Granger Movement. A Study of Agricultural Organization and its Political, Economic, and Social Manifestations, 1870-1880. By SOLON JUSTUS BUCK. Harvard Historical Studies, XIX. Awarded the Toppan prize for the year 1910-1911. (Cambridge: Harvard University Press. 1913. Pp. xi, 384.)

Many attempts have been made to tell the story of the grange. It has been written up by both its friends and its enemies, but not until now has an impartial, scholarly history of the organization been presented. Dr. Buck has with infinite pains gone over a prodigious amount of material, much of which is worthless enough, and culled out the significant facts which in themselves tell the story of the first widespread effort on the part of the American farmer to rise out of his isolated, unsocial condition, and assert himself against what to him was a hostile capitalism.

The author after giving an account of the rise of the grange treats the subject under three heads: first, the grange as a political force, under which comes as the main consideration the struggle

against the railways and the final triumph of the principle of state control; second, business coöperation; third, social and educational features. A closing chapter deals with the significance of the movement.

Since the most prominent feature of the grange in the minds of its members, and undoubtedly the one efficient cause of its growth beyond any other, was that of buying and selling co-operatively, it is perhaps a little disappointing to find this topic disposed of in less than a quarter of the space given to that of railway legislation. The author must no doubt be forgiven for this lack of balance on account of the nature of the material with which he worked. There is abundant evidence on the one subject and a paucity of it on the other. An old member of the grange will look in vain for a vivid picturing of the improvised store where on grange nights the purchasing agent broke open the boxes and barrels of supplies and, as best he could, did the work of the merchant in measuring out and bundling up the separate portions required. The details of the store, the stock shipping, and the elevator companies are for the most part wanting.

The conclusions drawn by the author are, in the main, unmistakably correct. However, in giving a list of the causes of failure on the part of the coöperative business undertakings no mention is made of the fact that the farmers, who had felt that middlemen made too much money, were unwilling to pay what a manager was worth on the market, and therefore employed as a rule very incompetent men to manage their enterprises. In very few instances in the book have unwarranted conclusions been drawn, yet the statement (p. 270) that the number of coöperative creameries and cheese factories "was greatly increased by the order" is undoubtedly an exaggeration of the case. Even the references given in the footnotes hardly support it. Dr. Buck has reduced the much quoted assertion that at one time two thirds of the elevators of Iowa belonged to the grangers down to an estimate of one third. In all probability another material reduction in the estimate will have to be made before the truth is reached. Again, on the last page of the book, the rise of the grange is linked with "the disappearance of the frontier," though in the first chapter unmistakable evidence is given to show that it was too much frontier that was at the bottom of the movement. These are minor defects, and all in all the monograph is worthy of the highest commendation.

B. H. HIBBARD.

University of Wisconsin.

The Rural Problem. By HENRY D. HARBEN. (London: Constable and Company, Ltd. 1913. Pp. vi, 169. 2s. 6d.)

This book is the first fruit of the Research Department established by the Fabian Society in 1912. While "most of the information" is the joint product of a "committee including men and women with a very special knowledge of certain aspects of country life," the writing of the report was done by Mr. Harben.

The rural problem is declared to be the raising of the countryman's status and the increasing of his opportunities. The workers of the land are in a "miserable plight," the agricultural laborer leading a life of "drudgery unequaled for its monotony and wretchedness." These conditions necessitate the raising of agricultural wages. For doing this the most direct and immediate method is a uniform minimum wage to be fixed by Parliament for all agricultural laborers. This is regarded as the key to the whole problem of rural development. The ordinary farm laborer must have his weekly earnings of 17s. 6d. increased to 23s. in order that he may obtain the barest necessities for a family of ordinary size. The burden of the minimum wage will fall chiefly on the landlord and will reduce his rent, it is thought, about one fourth.

The next most important thing in the solution of the rural problem is the community's acquisition of land. The Finance Act of 1909 could be developed so that the owner of an estate instead of being permitted to make payment of duty in kind could be required to give to the state an irredeemable mortgage in the case of death duties, thus instituting a policy of "gradually buying out landowners with their own money."

The state is to be called on for much other constructive legislation and for many grants from its exchequer. There should be established experimental farms, free farm schools, traveling agricultural instructors, and a state motor service. More money and more executive powers need to be given the Development Commission for extension of coöperation among the farmers. Loans from the exchequer should also be made for cottage building. Finally, as an agricultural reform, the government should acquire the ownership of railways.

The book contains a serviceable bibliography. The appendices, amounting to nearly one third of the work, seem needlessly full. From the standpoint of a socialist, the presentation is for the most part a logical discussion. The securing of a decent standard

of living for still the largest body of industrial workers must be regarded of prime importance. We must not quarrel with the author if in this case, as in so many other reforms that he discusses, he places much more reliance upon the efficacy of state action than upon individual or associative self-help. His method of nationalizing the land by buying out landowners with their own money is somewhat naïve. He strains his argument occasionally, as where he finds in the nationalization of railways the only escape from the farmers' railway difficulties.

The tone of the book is temperate and shows none of the immoderate arraignment of conditions sometimes found in writers opposed to private ownership of land and capital. The treatment, while not exhaustive, deals directly with fundamentals and is thought-provoking. It indicates definitely practical ways of passing over ultimately into socialism—if the people so desire.

E. K. EYERLY.

Massachusetts Agricultural College.

NEW BOOKS

AUGSTIN, M. *Die Entwicklung der Landwirtschaft in den Vereinigten Staaten von Nordamerika und ihr Einfluss auf die Preisbildung landwirtschaftliche Erzeugnisse.* (Munich: Duncker & Humblot. 1913. 4 M.)

BOCHALLI. *Die Wassergenossenschaften nach dem neuen preussischen Wassergesetze. Kommentar zum dritten Abschnitt des Wassergesetzes.* (Berlin: Parey. 1913. Pp. x, 241. 6 M.)

BRUCK, W. F. *Die Sisalkultur in Deutsch-Ostafrika.* (Berlin: Deutsche Landwirtschaftsgesellschaft. 1913. Pp. 70.)

ECKSTEIN, K. *Jahresbericht über die Fischereiliteratur, umfassend die Veröffentlichungen auf dem Gebiet der europäischen Binnenfischerei das Jahr 1912.* (Neudamm: J. Neumann. 1913. Pp. 416. 7 M.)

ENGELBACH, H. *Notes et observations sur l'industrie houillère aux Etats-Unis.* (Paris: Contant-Laguerre. 1913. Pp. vi, 171.)

GIRAULT, A. *La réfection du cadastre.* (Paris: Larose & Tenin. 1913. Pp. 212. 3 frs.)

HANEY, L. H., editor. *Studies in agricultural economics.* Bulletin of the University of Texas, 298. (Austin: University of Texas. 1913. Pp. 132.)

This bulletin consists of thirteen essays prepared by the Texas Applied Economics Club. Among them are papers discussing rural credit, coöperative production and marketing by farmers, seasonal industries, the farm labor problem, farm tenure, and the relation of the services and rates of railways to the agricultural industry.

Not a great deal of information is here presented which was not before available. Nevertheless a considerable amount of painstaking work has been done in bringing the information together, and a good purpose is served in making easy of access many facts relating to the state of Texas.

There are in the various essays a considerable number of infelicities. For example, Wisconsin is referred to as one of the wheat-growing states having coöperative elevators (p. 37), whereas Wisconsin grows but little wheat and has only one tenth as many coöperative elevators as has Iowa. On page 41 the word *dairy* is used to mean creamery, while on page 43 the statement is made that at a certain elevator in Minnesota "grain sells for 3 cents more per bushel than is got anywhere else." On page 69 occur some inaccuracies of language concerning percentages of population, though the meaning is clear. These are careless statements, yet criticism is pretty much disarmed by the remarks in the preface to the effect that the work was done mainly by undergraduates. For what it purports to be the publication is creditable.

B. H. HIBBARD.

VON HENNET, L. F. *Aktuelle agrarpolitische Fragen in der Schweiz, Frankreich und Grossbritannien und deren Nutzenanwendung auf unsere Verhältnisse*. (Vienna: W. Frick. 1913. Pp. 42. 1 M.)

HYDE, J. *The case for land nationalisation*. (London: Simpkin. 1914. Pp. 448. 2s. 6d.)

KAISER, J. B., compiler. *The national bibliographies of the South American republics. Preliminary list*. (Boston: Boston Book Co. 1913. Pp. 20. 25c.)

Represents South America only, not Spanish or Latin America as a whole, and consequently leaves out of consideration Mexico, Central America, and the West Indies.

KEUP, E and MUEHRER, R. *Die volkswirtschaftliche Bedeutung von Gross- und Kleinbetrieb in der Landwirtschaft*. (Berlin: Parey. 1913. Pp. xxi, 414. 9 M.)

MICHEL, G. and KNAPP, C. *Kartographische Beiträge zur Wirtschaftsgeographie*. Numbers 1 and 2. Issued with the concurrence of numerous collaborators. (Bern: Geographischer Kartenverlag, Kümmerly & Frey. 1913. 7.50 fr.)

The "Cartographic Documents of Economic Geography" are a somewhat new departure in map publishing. They are intended to constitute a continuous series of both general and special maps which will portray the essential facts in economic geography. By their use, one will be able to get not only a comprehensive view of the historical development of the world's resources, industries, and commerce, but also a presentation of the results achieved, along any line of interest, at any given point of time. In a word, the maps will constitute an ever-growing atlas which, in the opinion of its originators, will be of special service to instructors in colleges or universities, journalists, manufacturers, and others.

The work has been undertaken in view of the increasing attention which is being given to the influences of geographic factors upon man's economic activities, and because of the fact that any finished presentation of industrial or commercial conditions, in map form, necessarily is soon obsolete. This criticism often has been made of such atlases of economic or commercial geography as hitherto have appeared, inasmuch as "any attempt at giving a final synthesis of economic phenomena is foredoomed to failure."

The documents are to appear quarterly, and the annual subscription for the four numbers is 25 fr. There will be included general economic maps; special maps relative to the agriculture, industries, commerce, etc. of the world, of a single continent, of a state or natural region; detailed expositions of small economic unities; studies on connected facts relative to climate, bio-geography, demography, etc. The individual maps are accompanied by explanatory text, diagrams, and insets and, as a rule, they will be published in the language of the author. The right is reserved, however, of admitting at first only the English, French, and German languages. For purposes of reference and classification, each map will have printed on its back the author's name, a statement of the region covered, the subject treated, and the year of publication. These will enable the owner of the series to file the maps in accordance with whatever method he may desire.

The list of collaborators includes the names of some of the best-known geographers of America and Europe. There is reason for believing that the new enterprise has more than the possibility of success. On the basis of the two numbers before us, it is of course impossible to make any correct estimate of the place which this rather unique atlas ultimately will occupy. AVARD L. BISHOP.

PIETRA, G. *La statistica dei salari in agricoltura: memoria.* (Rome: G. Bertero. 1913. Pp. 36.)

REW, R. H. *An agricultural faggot. A collection of papers on agricultural subjects.* (London: King. 1914. 5s.)

RUBNER, M. *Wandlungen in der Volksernährung.* (Leipzig: Akademische Verlagsgesellschaft. 1913. Pp. 135. 5 M.)

RUEMKER. *Die Entwicklung der Landwirtschaft in den letzten 25 Jahren.* (Berlin: Parey. 1913. Pp. 21. 1 M.)

SCHERMAN, H. *Grundzüge der Bildung der Bodenpreise und des Wertzuwachses.* (Karlsruhe: Braun. 1913. 2.80 M.)

SCHULTZ, A. *Die Geschichte der kultivierten Getreide.* I. (Halle a. S.: Louis Nebert. 1913. Pp. vii, 134. 3 M.)

SNIDER, L. C. *Petroleum and natural gas in Oklahoma.* (Oklahoma City: Harlow-Ratliff Co. 1913. Pp. 196, maps. \$5.)

SUTHERLAND, W. *Rural regeneration in England.* (London: Methuen. 1914. Pp. 188. 2s.)

UTSCH, R. *Die Entwicklung und volkswirtschaftliche Bedeutung des*

Eisenerzbergbaues und der Eisenindustrie im Siegerlande. (Görlitz: Richard Utsch. 1913. Pp. viii, 231. 6.80 M.)

VOGT, P. L. *A rural survey in southwestern Ohio.* Miami University Bulletin, series XI, no. 8. (Oxford, O.: Published by the University. 1913. Pp. 93.)

Though many of these pages exhibit the familiar, rather depressing picture of our rural life, there still appear signs of promise, tendencies and beginnings which deserve to be regarded as, after all, decisively significant. Though community leadership is largely lacking, there is a developing sense of class solidarity. The farmer's devotion to individual advancement seems to be giving way to ideals of community welfare.

The counties investigated are Butler, Darke, Montgomery, and Preble. The work was directed by the Department of Church and Country Life of the Presbyterian Church with aid from the United Brethren Church and the Y. M. C. A. and Miami University. The conclusions as to moral and intellectual improvement are based largely on the opinions of old residents. The survey of a Minnesota township, noticed in the REVIEW for December, 1913 (p. 910), gives less indication of social and intellectual advance; and it is in a sense gratifying to find the advantage in this respect on the side of the older community.

The statistical conclusions are sometimes fragmentary. A table (pp. 16-17) exhibiting the labor incomes of sixteen farms and the capital invested in eighteen, though not without value as showing a high return and large investment on what are represented as farms more profitable and larger than the average, would have greater significance if we knew the frequency of like instances.

A. P. WINSTON.

WORMS, R. *Les associations agricoles.* (Paris: Giard & Brière. 1914. Pp. xxv, 230. 3 fr.)

American metal market and daily iron and steel report. Metal statistics, 1913. Sixth annual edition. (New York: Am. Metal Market Co. 1913. Pp. 255. 50c.)

An encyclopaedia of agriculture. (London: Nelson. 1914. Two vols.)

Manufacturing Industries

NEW BOOKS

ASCIONE, E. *L'industria del l'asfalto.* (Milan: Vallardi. 1913. Pp. vii, 143. 2.50 l.)

BARBERI, G. *L'industria dei fiammiferi in Italia ed all' Estero.* (Turin: M. Artale. Pp. 182. 6 l.)

CHRISTIANSEN, C. C. *Chemische und Farben-Industrie. Die deutsche Industrie seit 1860*, vol. II. (Tübingen: Mohr. 1914. Pp. iv, 99. 3 M.)

- DAVID, E. *Die Kupferhüttenindustrie. Ein Beitrag zu dem Problem der industriellen Standortsverteilung.* (Stuttgart: Cotta. 1913. 4.50 M.)
- EBERT, G. *Die Entwicklung der Weissgerberei.* (Leipzig: Deichert. 1913. Pp. 448. 12 M.)
- GROTJAN, A. *Die Entwicklung der Malzfabrikation im neuen Deutschen Reich mit besonderer Berücksichtigung der Provinz Sachsen, ihre Enklaven und ihre Nachbargebiete.* (Berlin: Parey. 1913. Pp. viii, 184. 5 M.)
- KOCHMAN, W. *Deutscher Salpeter. Die Erzeugung von Salpeter aus Ammoniak.* (Berlin: Siemenroth. 1913. Pp. 88. 2 M.)
- SCHWEIKERT, K. *Die Baumwollindustrie Russisch-Polens.* (Zürich: Rascher. 1913. Pp. 382.)
- WEISS, A. *Vorlesungen über Textiltechnik und Textilhandel.* Third edition. (Vienna: Deuticke. 1913. Pp. x, 321. 8 M.)
- Official report of the ninth international cotton congress.* (Manchester, Eng.: Taylor, Garnett, Evans & Co. 1914.)
- Royal commission on the natural resources, trade, and legislation of certain portions of H. M. dominions. Evidence taken in New Zealand in 1913 (7170. 2s.). Evidence taken in Australia in 1913 (7171, 7172. 5s. 11d.). Second interim report (7210. Maps. 1s.).* (London: Wyman. 1914.)
- Twenty-seventh annual report on the statistics of manufactures for the year 1912.* (Boston: Mass. Bureau of Statistics. 1914. Pp. xxx, 126.)

Transportation and Communication

- Outlines of Railway Economics.* By DOUGLAS KNOOP. (London: Macmillan and Company, Ltd. 1913. Pp. vii, 274. \$1.50.)
- American Railroad Economics.* By A. M. SAKOLSKI. (New York: The Macmillan Company. 1913. Pp. xii, 295. \$1.25.)

About one third of Mr. Knoop's book is devoted to an elementary presentation of topics which one would expect to find in a textbook on economics without reference to railways. The other two thirds constitutes an excellent introduction to the study of railway economics viewed as a branch of the general science of economics and not as a study of the construction or operation of railways from the technical or engineering standpoint. The salient principles of rate making, with frequent illustrations from railway practice in England, are clearly set forth without waste of words. The author attempts to explain how the present rate structure has been determined. Considerations of cost in his view

govern the minimum charge and the general level of charges, and, to a small extent, the differences in charges, whereas considerations on the side of demand govern the maximum charge in any particular case and to a large extent the fixing of differential charges. He regards the tendency of commissions to base rates on cost as mistaken, there being "no ascertainable scientific method of allocating the general expenses amongst the units of traffic."

The reviewer would raise the question whether there is not a conflict between the author's position in regard to cost as a basis for rate making and his recognition that under certain conditions a railway may be subject to the law of decreasing returns, to which he devotes a separate chapter. He says:

Just as it may pay to spend more money in cultivating land more intensively in an old country, in order to produce an additional output, even though each additional unit of output is obtained at increasing cost, or subject to decreasing returns; so it may pay to spend more and more money in an old country on improving and on working a given section of line, in order to deal with more traffic, even though each additional unit of traffic is dealt with at increasing cost, or subject to decreasing returns (p. 88).

When an industry has reached the point of increasing costs, must not the reasonable rate be measured by average cost, if we wish to avoid wasteful production? When we begin to feel seriously the limitation of the fixed factor of production, do we not then have to ask whether each unit of traffic is paying for its share of the use of that factor? This view assumes, it is true, that railway services are only to a limited extent joint products in the strict sense that one is a necessary complement of another. In the book before us there is a clear recognition of the distinction between joint products in the strict sense and products which have been produced with the aid of common facilities. The author gives hardly more than a hint of recent activities in railway cost accounting.

In the discussion of state ownership, a question which is coming to the front in England, we find the usual arguments for and against nationalization of railways, with a leaning against the change.

The book of Mr. Sakolski bears the subtitle, "a textbook for students and investors." After a very brief survey of rate theories and rate regulation, the various types of railroad securities are

described. One chapter is devoted to the leading characteristics of the great railroad systems in the United States. Railroad constructions and the maintenance of way, structures and equipment, are commented upon with the object of assisting the investor in determining the condition and prospects of a railroad property. Under the head of traffic statistics are discussed the kinds of statistical data which show the volume and character of the traffic as well as those which are used for measuring operating efficiency, such as the average train-load and car-load. Four chapters deal with the system of accounts prescribed by the Interstate Commerce Commission. The final chapter is on railroad capitalization. The title is somewhat misleading if by railroad economics we understand the study of the relation of railroad transportation to public welfare, but for the subjects treated the author has given us a well-written textbook, very elementary in its treatment and avoiding controverted questions.

M. O. LORENZ.

Washington, D. C.

American Shipping. Its History and Economic Conditions. By HANS KEILER. Probleme der Weltwirtschaft, 14. (Jena: Verlag von Gustav Fischer. 1913. Pp. xx, 144. 6 M.)

This is volume 14 in the relatively new series entitled "Probleme der Weltwirtschaft," edited by Professor Bernard Harms of the University of Kiel. It is an historical study of the American merchant marine covering the whole period from colonial times down to the present day. There are seven chapters, dealing respectively with colonial conditions; the period of confederation; shipping under protection; reciprocity; decline in the last half century; the coastwise fleet; and our present shipping policy.

The first three chapters are devoid of any special interest for readers on this side of the Atlantic, because they are based, in large part, upon secondary sources which are familiar to all American students of our merchant marine. The fourth chapter, however, which treats of that critical period in our shipping history, extending from 1815 to the Civil War, is worthy of much more consideration. This is due, in part, to the fact that the author has followed more closely the original sources of information, and partly because, without any bias whatsoever, he has given an impartial statement and discussion of conditions as they actually existed under both restricted and complete reciprocity in trade.

It is a well-known fact that most of the earlier writers on the history of the American merchant marine have had their views colored, more or less, by certain preconceived notions of governmental policy. This is perhaps more true as applied to the period of reciprocity than to any other. As Dr. Keiler observes: "Much of the history of this period is obscured by the American writers on this subject in their efforts to substantiate their arguments for or against certain legislative policies affecting the American merchant marine." Accordingly, he has undertaken to emphasize the influence of economic rather than purely political factors upon the events which characterized our shipping history between 1815 and 1860.

In chapter 5 attention is drawn to the fact that since the Civil War the tonnage of our merchant marine in the foreign carrying trade has declined as rapidly as it previously had increased. The causes which usually have been assigned for this phenomenon are advanced. The writer enters into complete and accurate details of the legislation which has been passed and its probable effect upon shipping. He then proceeds to discuss the coastwise trade in a short chapter replete with statistical data. The last chapter contains a statement of the various policies which, during the last two decades, have been proposed or actually tried to the end that our merchant marine in the foreign carrying trade might be resuscitated. Considerable attention is given to the legislative history of the various merchant marine bills which, from time to time, have occupied the attention of Congress. It should be noted, however, that there is little discussion of the merits of these bills or of the whole question of subsidies or subventions versus discriminating tonnage and tariff duties.

The volume contains an exhaustive bibliography, and its author has been most painstaking in giving numerous references, either secondary or original, for his statements. Several typographical errors have crept in, notably in dates and footnotes. On page 41, the War of 1812 is mentioned as the "War of 1912," and on page 75 the year "1886" should be changed to 1861. It is to be regretted that several statistical tables have been included in the text rather than relegated to an appendix or even omitted altogether. At the close of chapter 5, for example, there are six pages of statistics which are easily accessible in our well-known government documents.

AVARD L. BISHOP.

Yale University.

NEW BOOKS

The notice of *Railway Traffic Maps* by W. Z. Ripley in the last issue of the REVIEW calls for an explanation. The copy furnished the reviewer was bound as an experiment in the proper method of folding; hence, Professor Ripley is not responsible for the following statement:

Without a finding list or explanatory text . . . It is doubtful if the volume can be made to serve the interests of academic instruction. It is designed rather for the chief of a railroad or state commission traffic bureau, and for this purpose it is, perhaps, unfortunate that the maps should not have been more substantially mounted and bound.

The preface of the regular edition states that the atlas is to be used in connection with other volumes on freight classification and rates, and on the front or *verso* of each map brief "explanatory text" is printed. The "finding list" consists of an index of the freight territories indicating the number of the map on which each is found. The work is substantially mounted and bound. The binding is good buckram over standard binder's board, and the mounting is on linen tape of the style used for best library atlases.

W. A. SHELTON.

BALLEN, D. *Bibliography of road-making and roads in the United Kingdom*. With an introduction by SIR GEORGE GIBB. (London: King. 1914. Pp. xviii, 281. 15s.)

This valuable and comprehensive bibliography was undertaken at the suggestion of Professor Sidney Webb; and includes the materials in the British Museum, Patent Office Library, and the British Library of Political Science, with data from other sources. To reduce the bulk of detailed references, certain classes of documents have been omitted, such as the Ordinance Survey maps, guide books since 1850, local acts of Parliament, and annual reports of surveyors and highway committees.

The contents have been classified as far as possible under the general headings: (1) history and description, (2) administration, (3) construction and repair, and (4) traffic. Under the first two headings general works are listed separately from those on the several geographical divisions of the United Kingdom. Under each group the arrangement appears to be chronological. An author index and a subject index add further to the serviceableness of the work.

J. A. FAIRLIE.

BAUMBERGER, R. *Die Haftung für Reisegepäck nach schweizerischem Eisenbahntransportrecht*. Abhandlungen zum schweizerischen Recht, 50. (Bern: Stämpfli. 1913. Pp. viii, 182. 4 fr.)

BELLET, D. *Le canal de Panama*. Bibliothèque des Amis de la Marine. (Paris: E. Guilmoto. 1914.)

Shows that the canal is not a commercial venture but is a naval necessity to the United States.

- BERNARD, M. A. *Les chemins de fer algériens*. (Algiers: Adolphe Jourdan. 1913. Pp. ix, 265.)
- BROMBERGER, H. A. *Les chemins de fer exotiques. Mexique, Colombie, Nicaragua, Costa-Rica, San Salvador, Honduras, Venezuela, Equateur, Pérou, Argentine, Brésil, Chili, Uruguay, États-Unis, Canada*. (Paris: Impr. de la Bourse de Commerce. 1913. Pp. 233. 3 fr.)
- DAVIS, C. H. *National highways versus federal aid*. (Washington: National Highways Assoc. 1913. Pp. 31, illus.)
- ELLIOTT, H. *The truth about the railroads*. (Boston: Houghton Mifflin. 1913. Pp. xxi, 260. \$1.25.)

Speeches made between 1905 and 1913 have been collected in this volume, and only one of the eight has to do with the special problems which the author has been called upon to solve in his present position as chief executive of the N. Y., N. H. & H. R. R. He fails to recognize the fact that the irritated state of the public mind, which has resulted in more strict legislation in recent years, is to be accounted for by high finance rather than by high freight rates, by disregard of law or public opinion and colossal extravagance of managers and directors rather than by incivility of overworked and underpaid ticket sellers, and by large speculative profits in promotions and underwriting schemes rather than by reasonable returns paid to "widows and orphans" who have purchased railroad securities. The book contains not a word which would indicate that there had ever been an error or fault committed by those in control of the policy of the railroads.

There is a considerable amount of statistical material, most of which is familiar to students of railroad affairs. The way in which these statistics are used is not always such as to command respect or inspire confidence in the rest of the author's work. For example, on page 15 he compares railroad earnings and expenses for 1906, 1907, and 1908 without mentioning the panic of 1907 which accounted for the low railroad earnings of 1908; but on the contrary he says, "These were three years of fairly good business in the country, when farmers and manufacturers did well." Again, on page 57 he compares the average rate of return on railroad securities in 1909 (4.07) with the net income of "manufacturing institutions" in 1905 (13.06 per cent), evidently computed from the census returns of that year, and does not note the fact so carefully pointed out by the Bureau of the Census, that it is impossible to figure net income with even an approximation of truth on the basis of the census figures. On page 182 he gives the capital embarked in agriculture in the United States in 1910 as \$40,991,449,000, and the "returns" as 13.8 per cent in 1890, 16.3 in 1900, and 16.8 in 1905. Where he obtains these percentage figures he does not say; neither does he say that they are net income figures though that is the implication, for they are compared with returns on bank capital and railroad securities. In fact, they are probably gross product figures

with no deductions for wages, fertilizer, or other expenses, and certainly none for the wages of the farmer himself, which on any fair basis of computation would in the majority of cases equal or exceed his net profit.

Although the author does not so state, the implication is that railroad travel in the United States is safer than in Europe. On page 177 he cites these figures: "In Europe, on 206,987 miles in 1910 there were killed 554 passengers, 2607 employees and 4465 other persons, or a total of 7626. In the United States on 248,888 miles reported in 1912, there were killed 318 passengers, 3235 employees and 6632 other persons or a total of 10,185." His only comment is that 5434 of those killed in the United States were trespassers and that "absolute obedience is not encouraged enough in American education or in the American home." The absurdity of miles of line as a basis of comparison is too evident to call for discussion.

C. W. D.

FISCHER, L. E. *Economics of interurban railways*. (New York: McGraw-Hill. 1914. Pp. ix, 116. \$1.50.)

A book of barely one hundred small pages is hardly sufficient to cover properly the subject of interurban railway economics. Mr. Fischer undoubtedly intended his work as a primer rather than as a treatise. Yet, in his preface he intimates that he has compiled his data so as to be "useful to the great number of persons who are promoting or are encouraging the promotion of electric interurban railways." This class of readers certainly require more elaborate analysis of facts.

The features of railway economics covered pertain to construction and to operation. In the discussion of operations, conclusions are based on averages derived from results of "typical cases" of "normal interurban lines." The latter are defined as having certain definite characteristics, among which are (1) entrances into cities, towns, and villages, (2) private right of way outside cities, etc., and (3) reasonable curves and gradients. Mr. Fischer holds that the best method of estimating probable revenues of a projected line is to apply the known unit results obtained by the operating roads whose type of construction and method of operation, and the general characteristics of whose territory, are in all respects similar to and comparable with homologous attributes of the projected road.

On the basis of his "typical cases," he estimates the range of construction cost of interurban lines from \$26,720 to \$38,650 per mile of track. A cost of \$35,000, therefore, is a fair approximate average for a "normal" line. Realizing the danger of basing judgments solely on statistical averages, he cautions the layman from acting in any case without special investigation and expert assistance.

The concluding chapter gives an interesting summary of investment return, construction cost, and operating revenues and expenses. Applications of principles are made with reference to typical cases.

A. M. SAKOLSKI.

- HAUSMEISTER, P. *Deutsche Eisenbahnkunde*. (M.-Gladbach: Volksvereins-Verlag. 1913. Pp. 123. 1.20 M.)
- HILLYER, C. R. *Procedure before the Interstate Commerce Commission*. (Chicago: La Salle Extension University. 1913. Pp. 34.)
- JOEHLINGER, O. *Die koloniale Handelspolitik der Weltmächte*. (Berlin: Simion. 1913. 2 M.)
- KENNEY, R. *Men and rails*. (London: Unwin. 1914. 6s.)
Railway accidents; remedies and relief; strikes; organization and unions.
- MUSIL, F. *Die elektrischen Stadtschnellbahnen der Vereinigten Staaten von Nordamerika*. (Wiesbaden: C. W. Kreidels Verlag. 1913. Pp. 50.)
- RENAUD, T. *Die Entwicklung des Eisenbahnwesens in Preussen seit dem Jahre 1888*. (Berlin: G. Stilke. 1914. 2 M.)
- UHlich, T. *Die Vorgeschichte des sächsischen Eisenbahnwesens*. (Leipzig: Duncker & Humblot. 1913. Pp. 107. 3 M.)
- Railroad statistics. Comparative operating statistics of fifty-three of the principal railroads in the United States*. (New York: Price, Waterhouse & Co. 1913. \$5.)

Trade, Commerce, and Commercial Crises

L'Evolution du Commerce, du Crédit, et des Transports, depuis Cent Cinquante Ans. By B. NOGARO and W. OUALID. (Paris: Librairie Félix Alcan. 1914. Pp. 444. 5 fr.)

Neither the title nor the content of this book would suggest that it is one of twelve volumes projected by M. Renard under the general caption *Histoire Universelle du Travail*, nine of which are to be devoted to the history of labor from prehistoric times to the eighteenth century, while three are to deal respectively with industrial and agricultural progress, commercial development, and labor conditions during the past century and a half. Only two volumes in this series have appeared hitherto: *Le Travail dans le Monde Romain*, by Paul Louis, and *L'Evolution Industrielle et Agricole depuis Cent Cinquante Ans*, by MM. G. Renard and A. Dulac.

The work under review is decidedly broad in scope. The authors consider trade in its larger aspects and relations: trade wholesale and retail, foreign and domestic, in the modern world. They are concerned primarily with the facts, conditions, and significance of its advance. As auxiliaries and prime factors, transport facilities and financial institutions are allotted one half the total space, and commercial policy, nearly another fourth.

M. Oualid, who contributes more than two thirds of the volume,

"has assumed the task of describing the development of commerce and transportation as a whole"; while M. Nogaro, whose study of modern tariffs has already been favorably noticed in the *AMERICAN ECONOMIC REVIEW* (June, 1912, p. 395), deals with "money and credit for the whole period embraced by the work and with tariff policy since the middle of the nineteenth century."

The volume consists of five parts, corresponding to five chronological divisions and designed to "place in relief, for each period, the institutions or facts which have contributed most to determine the character of that period." (1) The close of the old régime: policy of monopoly, isolation of markets, confusion of currency, and resultant commercial organization; (2) The revolutionary period and the beginning of the nineteenth century: reaction against mercantilism and financial disturbance and experimentation; (3) The middle of the nineteenth century: revolution in transportation, free trade régime, spread of gratuitous coinage and bimetallism, and widening of the market; (4) The close of the nineteenth century: specialization and concentration in wholesale and retail trade, organization and concentration of transport facilities, return to protectionism, monetary and banking problems; (5) Contemporary commercial economy: present tendencies, the world's commercial balance sheet, consequences of commercial development.

This is an interesting and generally reliable survey and analysis of commercial progress. Its scope and emphasis distinguish it and justify its publication. Unfortunately, it has almost no footnote citations, and the lists of references appended to chapters are of quite uneven fullness and serviceability. Comments upon American conditions and tendencies naturally arrest attention; e.g., to enumerate "emission" among the activities of trust companies (p. 357) and to speak of *the* National City Bank and *the* First National Bank without localizing them in the city of New York (p. 358) suggest misconception as to the American banking situation.

PAUL S. PEIRCE.

State University of Iowa.

NEW BOOKS

ARNAVIELHE, P. *Enquête sur la situation du commerce en France et notamment sur la condition du petit commerce.* (Montpellier: Impr. Gén. du Midi. 1913. Pp. 40.)

BEHM, P. *Der Handelsagent. Seine soziale Stellung und volkswirt-*

- schaftliche Bedeutung*. Third edition. (Berlin: Siemenroth. 1913. Pp. xii, 202. 4 M.)
- GARRONE, N. *La scienza del commercio*. Vol. I. *Organizzazione del commercio*. (Milan: F. Vallardi. 1913. Pp. 79. 2 l.)
- HAMMANN. *Die Handelsbeziehungen zwischen Deutschland und Kanada im Jahre 1912*. (Berlin: Springer. 1913. Pp. 38.)
- HENNIG, R. *Die Hauptwege des Weltverkehrs*. (Jena: Fischer. 1913. Pp. x, 320, maps. 9 M.)
- OPPEL, A. *Der Welthandel. Seine Entwicklung und gegenwärtige Gestaltung*. (Frankfurt a. M.: Keller. 1914. Pp. v, 129. 3 M.)
- SCHAUWECKER, C. *Der schweizerische Weinhandel unter dem Einfluss der gegenwärtigen Wirtschaftspolitik*. Züricher volkswirtschaftliche Studien, 6. (Zurich: Rascher. 1913. Pp. 294. 9 M.)
- USHER, A. P. *The history of the grain trade in France 1400-1710*. (Cambridge: Harvard University Press. 1913. Pp. xv, 405. \$2.) To be reviewed.

Accounting, Business Methods, Investments, and the Exchanges

Public Utilities. Their Cost New and Depreciation. By HAMMOND V. HAYES. (New York: D. Van Nostrand Company. 1913. Pp. 262. \$2.00.)

The author's presentation of his subject is remarkably clear and concise, and this book is a most important contribution to the study of the general question of determining fair value for rate purposes. As stated in the preface, the purpose of the work has been largely to emphasize three distinct issues: (1) It is the duty of the appraiser not to ascertain the fair value—that function belongs to the court or commission—but to ascertain with accuracy, such figures as are necessary evidences of value and loss of value. (2) The original cost can be obtained without inordinate difficulty and is a figure of importance to those who must rule as to what the fair present value should be. (3) Depreciation is affected only indirectly by inefficiency, and as a necessary consequence, depreciation is dependent wholly upon the relation of the age to the life of the perishable property.

Mr. Hayes states that the engineer or accountant is not concerned with fair value, but merely with the presentation to the court of certain facts which the court may consider in its determination of fair value. In determining replacement cost the engineer should follow strictly the cost-of-reproduction theory, with-

out regard to the effect of the method followed on the equity of the result as between the utility and the public. Considerations of equity and justice may be left to the court or commission. The author's treatment of this subject needs to be qualified or supplemented by a statement that if original cost and replacement cost are developed consistently without regard to the apparent equities, all steps in the process should be clearly shown. Thus, if under the reproduction method pavement over mains laid without expense to the company is included in the reproduction cost, the cost of such mains should be made a severable item in the total reproduction cost found, so that a court or commission in considering the facts could give this element such treatment as it considered just. It should be pointed out that the court or commission will often use replacement cost merely as a test of original cost, or vice versa.

Perhaps the author's most important contribution to the study of the subject is his demonstration that original cost can be obtained without great difficulty. Many who have thought that the determination of original cost was in most cases impracticable, have considered original cost as the first cost of the units as originally installed. The author points out, however, that original cost properly considered is not the first cost of the original units, but the first cost of the units now in place. Original cost in this sense can be determined in much the same way as reproduction cost. In order to determine reproduction cost and accrued depreciation it is necessary, first, to have a complete inventory of the property, and, second, to know the age of the various classes of property. With the inventory and the date of construction of the units now in place the engineer can from price records estimate the actual cost of the property.

The book contains a very clear and comprehensive discussion of the depreciation problem. The author shows that the depreciation reserve should be carefully accounted for and never diverted to increase the profits of the security holders. As to the deduction of accrued depreciation in determining fair value, the author states that if the reserve is computed by the sinking-fund method and invested in outside securities the rate of return should be based on cost new. He states, however, that this is a method almost never used. The reserves for depreciation are usually invested in the plant. This assumes an allowance for depreciation on a straight line basis, and a deduction of accrued depreciation in determining fair value for rate purposes.

The book fulfills admirably the three main purposes stated by the author in the preface, *i.e.*, to point out: first, that fair value must be determined by the court and not by the appraiser; second, that original cost can and should be obtained; third, that accrued depreciation should in general be deducted in determining fair value.

ROBERT H. WHITTEN.

Principles of Industrial Organization. By DEXTER S. KIMBALL.
(New York: McGraw-Hill Company. 1913. Pp. xiv, 272.
\$2.50.)

For the general reader this book, reproducing a course of college lectures, really begins with the seventh chapter. There is little of consequence, except to the original hearers, either in the preceding general survey of modern economic history on its industrial side or in the brief account of the forms of business ownership. The remainder of the volume is of consequence and singularly devoid of bookishness; it gives the impression throughout of being based on wide, first-hand experience of contemporary industrial life. The leading subjects discussed—the types of organization, shop committees, planning departments, cost keeping, depreciation, compensation of labor, purchasing, store-room methods, methods of inspection, arrangement of equipment, theories of management—are dealt with so clearly, adequately, and accurately as to leave little to be desired. The author has shown good judgment in not cumbering his pages with illustrations of “the many kinds of cards and forms used in industrial management,” presenting only such as were “necessary to illustrate the principles discussed.” He should not have omitted, however, some account of the controlled “move order” system of a shop operated under scientific management, and the balance-of-stores sheet should have been mentioned and illustrated.

Statements open to adverse criticism are few indeed; but there are a few. For one thing, in several places there is suggested the fallacy of the limitation of the general market or possibility of general overproduction: as, for example, when on page 268 it is said, “We can now produce more manufactured goods than we can use, and far more than is needed to make all of us comfortable.” Again on pages 105-106, in describing the nature and use of “time studies,” it is stated that “observations are made of many repetitions of the same detail operation as performed by several

of the best and most rapid operators and the lowest observed time or 'unit time' becomes a *standard of performance* for that operation . . . , this method of approaching the problem is a great advance over the old empirical methods and any rate setter will profit even by its limited use."

These statements are unfortunate and will mislead some readers already well supplied with misinformation on scientific management. "The lowest observed time" is never taken by those who practice this art as the "standard of performance" by which to set times for the future. What is obtained from the readings is the representative time, usually the average or the median; and to that is added an allowance for rest. Moreover, the reviewer must take decided exception to the expression of the all too prevalent notion that "any rate setter" will profit even by a "limited use" of the methods of time study. Time study is an edged tool that "any rate setter" cannot play with to advantage. It is of such a nature in itself and must be preceded and followed up with such changes in the customary ways of doing things that its "limited use" amounts to no use at all. It must be used completely, with full understanding and willingness to take pains and incur expense, or only disappointment will result.

CHARLES W. MIXTER.

New Haven, Connecticut.

The Mathematical Theory of Investment. By ERNEST BROWN SKINNER. (Boston: Ginn and Company. 1913. Pp. ix, 245. \$2.25.)

The material in this book is, to a considerable extent, what the Germans call "Politische Arithmetik." The work is based on lectures given to students in the course in commerce in the University of Wisconsin. The first four chapters are in the nature of an introduction, as they are devoted to a few topics that are usually included in a course in college algebra. Mathematical principles and processes, to be used later in the book, are developed in part I; but the student would have better preparation for the mathematical theory of investment by taking the course in college algebra than should be expected from the study of these four chapters which cover only a small part of the usual algebra course. Some readers of the book will doubtless ask why this pure mathematical material is introduced. The answer seems clear. It is very

necessary if students who have taken no mathematics beyond that required for entrance to college are admitted to the course. In short, part I does not treat the mathematical theory of investment, but is part of the preparation for reading such a theory.

In part II, devoted to interest and annuities, are chapters on amortization, sinking funds and depreciation, and building and loan associations, which give interesting applications that will be found useful in teaching. The theory of probability and its application to financial problems are treated in part III. This includes, in very brief outline, some elementary facts and formulas of annuities and life insurance. The usefulness of the book would have been increased, I think, if more space had been given to insurance; and surely the vast literature and the general character of life insurance mathematics would seem to justify this.

Part IV contains some monetary tables, and the American experience table of mortality. These are to be used in exercises and problems given to illustrate the theory and to furnish the student some practice in carrying theoretical results into numerical effect.

The reviewer welcomes this book, as he has given for a number of years, in the form of lectures, substantially the subject-matter, omitting part I and including more of insurance. At least some and perhaps many teachers interested in business education feel that the student taking a course in commerce should devote some time to a study of quantitatively precise business operations, somewhat actuarial in character, rather than to give all his time to a consideration of the less precise forces involved in our commercial life. If such teachers are correct in their view, this book will be of assistance in making a step in the right direction.

H. L. RIETZ.

University of Illinois.

Die Berücksichtigung der Wertverminderungen des stehenden Kapitals in den Jahresbilanzen der Erwerbswirtschaften.
By EMIL FAES. Zeitschrift für die gesamte Staatswissenschaft, Ergänzungsheft XLVI. (Tübingen: H. Laupp. 1913. Pp. 132. 4 M.)

After general comment on the nature and object of balance sheets, the author discusses the principles of valuation at which assets should appear, namely, cost, individual or subjective value, and selling or break-up value. He adopts the cost of reproduction as the proper initial value on the books. The discussion is nar-

rowed down to the consideration of "fixed assets"; and various definitions of eminent economists—Karl Marx, Ricardo, Adam Smith, Quesnay, Boehm-Bawerk, amongst others—are quoted and criticised. The understanding finally reached by the author is that "fixed" capital as opposed to circulating is represented by such assets as, when used in the course of production, last for several fiscal periods without changing their physical qualities.

The author considers three elements important in determining depreciation and the method of its calculation; *e.g.*, time, wear and tear, and the effect of unforeseen changes such as new inventions, change of style, etc. They work together but with different acceleration. An ideal method of providing for depreciation would, of course, be the one that would result in a balance of the account at the end of the year equalling the appraised value of the corresponding asset. This being impossible in practice, some of the methods in general use are taken up: (1) writing off a uniform amount every year or a uniform rate per cent on the original value; (2) writing off a uniform amount with the consideration of compound interest on the amount written off; (3) a uniform rate per cent on the annually decreasing balances. These three methods are discussed, illustrated by examples and diagrams, and their applicability to varying circumstances is demonstrated.

Attention is then given to the methods in vogue for expressing depreciation on the books: (1) crediting the asset and having it subsequently appear at its reduced value; (2) opening a reserve for depreciation account (*Bewertungskonto* or valuation account) and letting the asset appear at its original value. The author's preference is for the latter method, although he cautions against the confusion frequently arising as to the meaning of reserves on the credit side of the balance sheet—whether they represent a real reserve of profits or whether they are simply an offset against overstated assets on the debit side. He seems not to be aware of the practice prevailing in the United States which obviates any misunderstanding on that score, *viz.*, the simple expedient of directly deducting on the balance sheet the reserved amount from the asset to which it refers.

Although it cannot be said that the author has exhausted his subject, his analysis is scholarly so far as it goes; he quotes an abundance of authorities and has his opinions confirmed by their theories or gives good reason for differing from them. Practical

examples and diagrams in the text serve to make his principles clear, special use being made of the experience of the Swiss railroads. The German, Austrian, and Swiss commercial codes are frequently cited or referred to.

LEO GREENDLINGER.

NEW BOOKS

- ADAMS, J. T. *Speculation and the reform of the New York stock exchange*. (Summit, N. J.: The Summit Herald Press. 1913. Pp. 27.)
- BUNTING, H. S. *The premium system of forcing sales; its principles, laws and uses*. (Chicago: Novelty News Press. 1913. Pp. viii, 166.)
- BUSS, G. *Berliner Börse von 1685-1913*. (Berlin: Preussische Verlagsanstalt. 1913. Pp. 160. 3 M.)
- COOLEY, R. W. *Illustrative cases on the law of sales. A companion book to Tiffany on sales*. (St. Paul, Minn.: West Pub. Co. 1913. Pp. viii, 285. \$2.50.)
- COLLINET, C. *Les bourses des valeurs mobilières en Belgique*. (Paris: Rousseau. 1914. 3.50 fr.)
- DICKINSON, A. L. *Accounting practice and procedure*. (New York: Ronald Press. 1913. Pp. 315. \$3.)
- DICKSEE, L. R. *Mines accounting and management*. (London: Gee. 1914.)
- GOODYEAR, L. E. *Principles of accountancy*. (Cedar Rapids, Ia.: Goodyear-Marshall Pub. Co. 1913. Pp. 189. 75c.)
- GROWOLL, A. *The profession of bookselling; a handbook of practical hints for the apprentice and bookseller*. Part 3. (New York: Publishers' Weekly. 1913. Pp. 131-194. \$2.)
- HAFNER, K. *Die schweizerischen Finanzierungsgesellschaften für elektrische Unternehmungen*. (Zürich: Füssli. 1913. Pp. iv, 139. 3.20 M.)
- KENT, W. *Investigating an industry; a scientific diagnosis of the diseases of management*. (New York: J. Wiley & Sons. 1914. Pp. xi, 126. \$1.20.)
- LOWNHaupt, F. *What an investor ought to know*. (New York: Magazine of Wall Street. 1914. Pp. 150. \$1.)
- MACGREGOR, T. D. *Bank advertising plans, a book of practical suggestions*. (New York: Bankers Pub. Co. 1913. Pp. v, 200. \$2.50.)
- MARX, E. *Die Entwicklung der deutschen Provinzbörsen*. (Berlin: Verlag für Fachliteratur. 1913. Pp. 56. 1.80 M.)

- MAYBERRY, J. L. *Rules governing the delivery, registration and transfer of stocks and bonds.* (Westfield, N. Y.: Westfield Leader Press. 1913. Pp. 16. 30c.)
- MOXEY, E. P., JR. *Principles of factory cost keeping.* (New York: Ronald Press. 1913. Pp. 102. \$1.)
- PAINE, P. M. and STROUD, B. K. *Oil production methods. With a chapter on accounting systems,* by W. F. and W. B. SAMPSON. (San Francisco: Western Engg. Pub. Co. 1913. Pp. 239. \$3.)
- RICHARDSON, A. P. *The influence of accountants' certificates on commercial credit.* (New York: Am. Assoc. of Public Accountants. 1914. Pp. 99. 50c.)
- SMITH, C. W. and THOMAS, S. M. *Farm accounts.* (Philadelphia: Laurel Book Co. 1913. Pp. 82. 30c.)
- THOMSON, H. C. *Patents, trade-marks, design patents.* (Boston: Bellevue Pub. Co. 1913. Pp. 372. \$5.)
- Arbitration records, 1779-1792.* Chamber of Commerce, State of New York. (Privately printed.)
- The commercial law of Great Britain and Ireland.* Two volumes. (London: Sweet & Maxwell. 1914. £2. 2s.)
- An ice accounting system, devised and recommended to all ice dealers.* (New York; Natural Ice Assoc. of America. 1913. Pp. 52. \$10.)
- The library of business practice.* Ten volumes. (Chicago: A. H. Shaw Co. 1914.)
- List of books on accounting and budget making in the library.* (New York: Municipal Reference Library. 1913.)
- Three hundred investment terms explained.* (London: Financial Review of Reviews. 1914. 1s.)
- The year book of American securities.* Sixth edition. (New York: Gibson Pub. Co. 1914. \$10.)

Capital and Capitalistic Organization

Foreign Companies and Other Corporations. By E. HILTON YOUNG. (Cambridge: Cambridge University Press, 1912. Pp. xii, 332.)

The author of this scholarly book is a barrister-at-law and city editor of *The Morning Post*. His theme is an important topic in the field of private international law or what in America has more frequently been called the "conflict of laws." The first half of the book is devoted to a general analysis of the principles relating to the status of foreign corporations in both civil-law and common-law jurisdictions, while its second half sets forth in more detail

the actual status of such corporations in English law. Although juristic in scope and method, yet, dealing as it does with the fundamental grounds upon which a state or nation may withhold or grant recognition to the corporations of another jurisdiction, the book is of distinct importance to economists. Aside from the practical significance of these matters in relation to the control of corporate activity, there is the further consequence that their consideration brings into sharp relief the various issues respecting the fundamental legal nature of a corporation.

The continental juristic writers who have wrestled with these problems are aligned in two groups: on the one hand, those who uphold the "restrictive system," according to which a corporation is incapable of being recognized as a person outside the state of its origin; and, on the other hand, the supporters of the "liberal system," who hold that foreign juristic persons are entitled to legal recognition in the same manner as natural persons. The restrictive theory is an outgrowth of the "fictitious person" concept of a corporation, rooted in both Roman and common law, while the liberal theory is, historically at least, similarly bound up with the Germanic "real person" notion of a corporation. Mr. Young, in an elaborate and subtle analysis, claims for the liberal system superiority in both logical coherence and practical consequences.

So far as practical consequences are concerned there is hardly so much difference between the two systems as might be supposed. The logic of the restrictionists has to be elastic enough to provide some sort of civil status for foreign corporations, whether by express recognition on the part of the state or otherwise, while even the most extreme advocates of the liberal theory have to make room for the admitted subordination of the powers and functions of a foreign corporation to the public policy of the state. Yet substantial differences remain. Take, for example, the matter of domicile. By the restrictive theory a corporation's domicile is, of course, in the state of its origin. Shaping his analysis in accordance with the logic of the liberal system Mr. Young holds that a corporation should be considered as domestic in the country or state in which the actual center of business activity is located. It seems fairly obvious that an acceptance of this principle would in practice lead to much confusion. It might fairly be argued, moreover, that if the "reality" of corporate personality be conceded, there is no logical reason why a corporation should be restricted, like a natural person, to one domicile, but should be

considered a domestic corporation wherever it has an office (as distinguished from a mere agency). In this case the problems of jurisdiction in such matters as taxation would be extremely complex.

Nowhere else is the problem of the foreign corporation so complex as in the United States, with its half-a-hundred corporation-making sovereignties. Mr. Young points to the status of our law on these matters as an example of the restrictive system at its exceedingly illogical worst. So far as the details of our law are concerned, his account, based as it is on a first-hand study of decisions, is probably sufficiently accurate. But although the reviewer claims no special competence in these matters, he hazards the opinion that Mr. Young's statements of the general principles of our law are of questionable accuracy. It is true that the early decisions in many of our jurisdictions were narrowly "restrictive." It is also true that our courts have been forced by the growth of corporate activities to let down the bars so that foreign corporations, in default of express statutory restrictions, may enjoy the ordinary legal rights and exercise their normal business functions. But in so doing the courts have not tried to cling so persistently to the logic of the restrictive system as Mr. Young intimates. The fiction of "interstate comity," fathered by Story and Taney, is no longer an essential factor in the situation. In very general terms it may be said that while our law still views a corporation as a fictitious or artificial thing so far as the mode of its coming into being is concerned, when once created its existence is to be admitted as a fact by other states as well as the state creating it. And the most common restriction which our states put upon a foreign corporation—that it shall be "found" for purposes of litigation in any state in which it does business—is in itself distinctly a recognition of more than a rigidly fictitious juristic "personality."

This does not mean the recognition of anything like the "real person" concept of a corporation, for this would be unmanageable and (from the point of view of public control) even dangerous. The general trend of American decisions is toward a less rigid use of any sort of analogy between the corporation conceived as an abstract whole and a natural person and a greater emphasis upon the particular privileges, rights, and duties pertaining to its various concrete parts.

ALLYN A. YOUNG.

Cornell University.

A Treatise on the Law of Public Utilities Operating in Cities and Towns. By OSCAR L. POND. (Indianapolis: The Bobbs-Merrill Company. 1913. Pp. liv, 954. \$6.00.)

We have in this thick volume an authoritative and practical treatise on the law of public utilities, based on several hundred court decisions—most of them comparatively recent. The author's aim and method can best be set forth by quoting and condensing freely from his own words in the introductory chapter.

This treatise . . . attempts to ascertain both the nature of the municipal corporation as expressed in law . . . to discover what limitations are placed on municipal activity by our constitutions . . . and also to ascertain what are the most efficient methods of regulation and control available to the state or municipality. . . . The public utility commission is the latest form of securing the necessary intelligent regulation and control and is attended with the least possible expenditure of money and time. . . . The theory of the regulation of municipal public utilities by the state through such a commission is to avoid competition which is now generally recognized as a needless economic waste and an entirely insufficient method of securing the necessary regulation and control.

Municipal corporations act in two capacities, governmental or public and business or private. When acting in a business capacity the municipal corporation is liable to the consumer the same as a private corporation is. Court decisions are favoring a liberal construction of the business powers. Franchises are construed strictly against the grantee. There is no exclusive franchise under the implied powers of the municipality. Some conservative court decisions find public utility systems to be additional servitudes, while progressive decisions hold the contrary. Street privileges and police power are fully defined by the author.

The rate question—the most interesting part of the book to the economist—receives competent and adequate treatment. The reasonableness of the rate which the city has a right to fix leads the author into a discussion of these considerations: cost of service; value of service; reasonable return on fair value of investment (the word "investment" is used by the author as synonymous with "property"); physical depreciation and obsolescence; risk of investment; good-will ("no good-will under monopoly, for there is no choice"). Four theories of valuation are treated, namely, original cost, cost of reproduction, outstanding capitalization, and present value. The courts are inclined to accept valuation as meaning value of "going concern with established

income," and not merely the "bare bones of the plant." The author commends the sliding scale of rates. The Wisconsin Public Utilities law is approved for requiring capitalization and investment to coincide, and especially approved for forbidding competition. Adequate regulation of municipal ownership, one or the other, is declared to be inevitable. The power of municipal ownership should always be available.

This work is excellent from both the legal and the economic standpoint. The chapters on rates are the most unsatisfactory and inconclusive, through no fault of the author's but due wholly to the present unhappy state of judicial opinion on this politico-economic-legal question. The probable solution is mentioned above. While in every sense a standard legal treatise, yet the author wisely gives in each chapter just enough subjective treatment to save the work from being absolutely colorless, a fault which many legal works have. There are printed in full as appendices the New York Public Service Commission law and the Public Utilities law of Wisconsin and of Indiana.

JAMES E. BOYLE.

University of North Dakota.

NEW BOOKS

COUSE, H. A. *The law of private corporations in Ohio.* (Cincinnati: W. H. Anderson Co. 1914. 2 vols. \$13.)

DEWING, A. S. *Corporate promotions and reorganizations.* Harvard economic studies, X. (Cambridge: Harvard University Press. 1914. Pp. 670. \$2.50.)

To be reviewed.

EBNER, G. *Die Kartellgeschichte der deutschen Röhrenindustrie.* (Berlin: Deutscher Montan-Bund. 1913. Pp. 48. 1 M.)

GOERRIG, R. *Der Tabaktrust und seine Gefahren für Deutschland.* (Dresden: F. E. Boden. 1914. Pp. 40.)

HILL, J. P. and PADGETT, A. R. *Annotated public service commission law of Maryland, with rules of commission and forms.* (Baltimore: M. Curlander. 1913. Pp. viii, 212. \$3.)

HIRST, M. E. *The story of trusts.* The nation's library, no. 5. (London: Collins. 1913. Pp. 264. 1s.)

MUNSON, C. L. *The public service company law of Pennsylvania (approved July 26, 1913). Digested, topically arranged, and indexed.* (Williamsport, Pa.: Grit Pub. Co. 1913. Pp. 64.)

RUSSELL, S. *The disintegration of monopoly, and other articles.* (Salt Lake City: Samuel Russell. 1913. Pp. 63. 50c.)

THORNTON, W. W. *A treatise on the Sherman anti-trust act.* (Cincinnati: W. H. Anderson Co. 1913. Pp. lxiii, 928.)

This volume is designed for the legal practitioner. It opens with a chapter on the congressional history of the Sherman act, which presents but little that is new to those who have read Walker and similar studies. The author claims to have presented all of the decisions involving the Sherman act in both the state and federal courts. The economist will welcome the collection of a large number of examples of restraint of trade and monopoly which are so described as to render unnecessary resort to law reports for the facts in regard to certain organizations.

W. S. S.

VOIGT, J. F. *Federal regulation based on the commerce clause of the Constitution.* (Chicago: La Salle Extension Univ. 1913. Pp. 23.)

A public service securities manual, containing detailed descriptions of upward of two hundred corporations. Revised to October 1, 1913. (Cleveland, O.: Local Securities Manual Company. Pp. 95. 50c.)

Labor and Labor Organizations

The World of Labour: A Discussion of the Present and Future of Trade Unionism. By G. D. H. COLE. (London: G. Bell and Sons, Ltd. 1913. Pp. vi, 435. 5s.)

Mr. Cole's book is an argument for a new form of industrial organization; it contains other matter, but that is incidental. His plan of economic reorganization may be very briefly stated: the trade unions are to take over the actual conduct of industry, while the means of production are to be owned by the state. The author is at one with the syndicalists in committing the conduct of industry to the unions, but he disagrees with them as to the future of the state. The increased powers of the unions, in his opinion, will not make the state superfluous, for the state must represent the consumers as against the unions of producers. An elaborate plan for the joint control of industry by the representatives of the state and by the representatives of the unions is, therefore, presented.

It is around this synthesis of syndicalism and socialism that Mr. Cole centers his book, which professedly deals with present trade-union problems. But the problems are reviewed merely to show that the author's plan of industrial organization is inevitable. In the course of this survey the author considers a number of trade-union questions which are of urgent interest to trade unionists in all countries, as, for example, whether organization should be on an occupational, industrial, or craft basis; whether strikes or politics are the best weapon for the working classes; how can the

workers be given a greater share in the real control of industrial processes and methods of production.

A satisfactory comparative study of these problems would be very valuable. Trade unionism in all the great industrial countries tends toward similarity and the same problems must be solved. Unfortunately, Mr. Cole is not equipped for making such comparisons. He is well acquainted with the French syndicalist literature, but his knowledge of German trade unions is apparently based entirely on a brief descriptive paper by Mr. W. Stephen Sanders recently published in *The New Statesman*. His information as to American trade unionism appears to be drawn almost entirely from the pamphlet literature of the Industrial Workers of the World. He thinks, for example, that the "tyranny on the part of Mr. Samuel Gompers and the 'Old Gang' gets every day more difficult," and that "it is coming to be regarded as inevitable that the socialists should shortly gain control of the American Federation of Labor and oust the 'Old Gang.'"

But even more serious than lack of information is Mr. Cole's propensity to decide every question entirely with reference to how far a proposed solution fits into his own scheme of industrial reorganization. For example, in discussing the question as to how far unions should favor profit-sharing, he dismisses the matter with this sentence: "Any device, therefore, which ties the workers' hands by prohibiting strikes or giving them 'an interest in the business' is fatal to the whole purpose for which labour is organized—the gradual abolition of capitalist exploitation" (p. 329).

Mr. Cole is so well satisfied with the soundness of his own views that he is impolitely impatient of all those who follow other counsels. The English trade-union leaders, accordingly, "have, for the most part, singularly thick heads" (p. 191). As to the rank and file of English trade unionists, "the apathy is still profound, the stupidity incredible" (p. 208).

GEORGE E. BARNETT.

Johns Hopkins University.

Revolutionary Syndicalism. An Exposition and a Criticism. By J. A. ESTEY. (London: P. S. King and Son. 1913. Pp. xxxii, 212. 7s. 6d.)

At a time when most of us are inclined to draw a sharp line of distinction between trade unionism and syndicalism, regarding the

former as the outcome of experience and the latter as a product essentially of temperament and pure speculation, Dr. Estey's book comes as a most opportune corrective. "Revolutionary syndicalism," the author tells us, "both as a socialistic theory and as a method of action, is a product of circumstances. If it flourishes today, it is as the outcome of experiments in revolutionism rather than of the intellectual travail of social philosophers." This statement sounds the keynote of Dr. Estey's book. Revolutionary syndicalism is in its genesis and development essentially pragmatic; it has its speculative aspect—a socialistic theory—but the theoretical formulation succeeded the practical evolution and is a thing apart; the movement itself follows the dictates of experience.

Dr. Estey's exposition is an attempt to state the character, structural and functional, and to present the rationale of the practical movement in France. As such it is a notable contribution. We are given a clear-cut and systematic statement of the organization and methods of the C. G. T. and its constituent elements, and the author shows striking ability to visualize and present the conditions and forces which have moved the practical syndicalists, and the mental processes through which they have arrived at their conclusions. The method is realistic and inductive; the conclusions forceful and convincing. As an exposition, the book furnishes perhaps the best introduction to the subject to be found in the English language.

To the reviewer there is a marked falling off in power and tone when the author proceeds from exposition to criticism. As an expositor, Dr. Estey is notably detached, unbiased, scientific. As a critic, his work seems somewhat commonplace. In this Dr. Estey appears as an advocate; there seems to be running through the work an assumption that what is, must always be; there is no real penetration to fundamental forces; there is much elaboration of the commonplace.

Nevertheless one is not disposed to quarrel with Dr. Estey's conclusions: namely, that revolutionary syndicalism has already reached the zenith of its power and is due for a decline; that its theory of the militant minority is practically untenable; that while "its insistence on the practical application of the great motto of the International—the emancipation of the laborers must be the work of the laborers themselves"—has engendered a habit of self-reliance, a courage, and an optimism among the work-

ers, that can only be a cause of general gratification," its one-sided policy and its constructive ideals are alike invalid.

The book is graced by an introduction from the facile pen of Mr. L. L. Price of Oxford. It is marred, especially toward the close, by typographical defects.

R. F. HOXIE.

University of Chicago.

Boycotts and the Labor Struggle. Economic and Legal Aspects.

By HARRY W. LAIDLER. (New York: John Lane Company. 1913. Pp. 488. \$2.00.)

Although the boycott has had its greatest development and its most extensive application in the United States, it has heretofore received careful study only at the hands of continental political economists, principally the Germans. From the studies of von Waltershausen published in the eighties to the more recent works of Maschke, Kestner, Schwittau, and others, the boycott, in all of its manifestations has been subjected to painstaking analysis from both the economic and juristic standpoints. Studies in this country, however, have been fragmentary in form and partisan in treatment; and have been designed primarily to establish the illegality or to justify the legality of the boycott. Those written by employers, or by their spokesmen, assumed from the first a highly denunciatory tone; whereas the representatives of labor organizations, condemning the adverse judicial decisions, saw in the boycott only an effective and a legitimate weapon to be used against the most oppressive of their employers.

In this first substantial American treatise on the boycott, Mr. Laidler, while exhibiting throughout his work a more sympathetic attitude toward the laboring than toward the employing class, is able to bring to the support of his contentions a variety of data and experiences that lend plausibility and force to his conclusions to a degree that earlier American writings on the subject lack.

The three divisions of the book are concerned with the history and forms of the boycott, with its legal status, and finally with the arguments that have been advanced for and against the legalizing of the boycott. In the first section there has been collected much interesting information of a descriptive nature. The second part contains within the convenient compass of less than a hundred pages a discussion of many important boycott cases, both here and abroad, and of the principles underlying judicial deci-

sions. The author concludes that the boycott as employed by labor organizations should be legalized. The employers possess great wealth, he argues; they are banded together in powerful employers' associations that inflict serious injury upon workmen by the use of the blacklist; they employ spies to learn the secrets of labor unions and to disrupt them; when strikes are in progress they import armies of strike-breakers and soon enlist the support of the local police, the militia, and the courts. The laborers, on the other hand, are poor; their industrial battles must be fought in the face of a hostile public opinion fashioned by a press and a pulpit that have been subsidized by the employing class; as individuals they are able to extract from employers no concessions; strong organization is essential to their well-being. It follows, then, that such a weapon as the boycott, designed to foster the organization of labor, imperfect as it may be, susceptible as it is to abuse and violence, is made necessary by the organization of modern industry which requires the use of abnormal industrial weapons. The author believes, too, that there is discernable a growing conservatism in labor-union officials and members that will tend to check recklessness and abuse in future applications of the boycott.

As the title of Mr. Laidler's book indicates, the greatest interest in the boycott turns upon its employment by organized labor. It would seem, therefore, that a prime requisite for a study of boycotts and the labor struggle should be a familiarity with the literature of labor organizations. In the endeavor to obtain this familiarity the author has studied the proceedings and journals of the American Federation of Labor, but has entirely neglected the wealth of material to be found in the publications of the many national and local unions in this country. The result is that he has greatly overestimated the influence of the American Federation of Labor as a boycotting agency and has, in addition, drawn conclusions from the unfair list of that organization which the actual facts in the matter do not warrant. It is, for example, misleading to refer to the watch-case engravers, the rubber workers, and the gold beaters as "the most active boycotting unions." In fact, all of these unions are so insignificant in size and influence as to be undeserving of classification as either "active" or "inactive" boycotting unions. Nor is it possible to deduce from the "We Don't Patronize List" published in the *American Federationist* whether or not The Coopers, for instance, was one of the unions which "had

the best success among those unions waging several boycotts" (p. 127). By the rule of the American Federation of Labor limiting the number of boycotts available to each national union, The Coopers could publish on the unfair list only three firms at any one time; in August, 1906, however, to take a typical instance, there were published in the *Cooper's Journal* (p. 549) the names of 70 firms unfair to that union. It is obviously impossible to determine from the small fraction of a union's complete unfair list, which is published in the American Federation unfair list, whether that union was successful or unsuccessful in waging boycotts.

The book suffers, too, from the use of the questionnaire as a device for collecting data in a serious investigation of a labor problem. Twelve firms which had been on the unfair list of the American Federation of Labor for periods varying from four months to three and a half years wrote to the author that they were unaware of even the existence of the boycott (p. 120). Little reliance should be placed upon such replies, many of which are not to be taken literally but merely as expressions of the spirit of bravado of individual employers. In actual practice, indeed, the American Federation of Labor makes it a point to communicate not once, but several times, with those employers whom it contemplates placing upon its unfair list, a procedure which renders highly improbable the alleged ignorance of the twelve boycotted employers. Equally futile is it to ask a union officer whether or not his particular union employs the boycott and, if it does, with what success (p. 127). In an interview with the reviewer this summer, several officials of the New York local union of the carpenters stated that they knew nothing of the boycott in that city on unfair trim; the fact is, however, that strikes against the installation of unfair trim are matters of almost daily occurrence in Greater New York, and have been so from 1896 to the present.

LEO WOLMAN.

Johns Hopkins University.

Ueber Syndikalismus und Lohnminimum. Zwei Vorträge. By
LUJO BRENTANO. (Munich: Süddeutsche Monatshefte
G. m. b. H. 1913. Pp. 114. 1 M.)

Professor Brentano's lectures on phases of the labor problem are always significant. He combines with complete mastery of all of the details of the labor movement, a remarkable faculty for summing up compactly and yet vividly the essentials of his subject

and showing its relation to current tendencies at home and abroad.

The facts with reference to syndicalism and the policy of establishing minimum wages with the binding force of law are now so familiar to economists that it is unnecessary to repeat them. In Brentano's pages, however, they take on new meaning. Brief as his treatment necessarily is, he manages in these two lectures to reproduce the whole course of the labor struggle from the repression of labor organizations and the regulation of wages in the interest of employers in Europe, in the eighteenth century, to the deliberate fostering of organizations and regulation of wages in the interest of wage-earners themselves in Australasia, in the twentieth.

The growth of syndicalism he ascribes to the desperation to which the weaker and less well organized workers have been driven by the failure of wages to rise in recent years as rapidly as have prices. The movement is strongest in France, he thinks, because there labor organizations are weakest. Its brief vogue in England he ascribes chiefly to the personal influence of Tom Mann, since he agrees with Hobson and Macdonald that its philosophy is quite alien to British common sense and little calculated to appeal to wage-earners who see almost daily evidences of the advantages to be secured through governmental action. In Germany and Scandinavian countries the opposition of the state socialists will, he believes, prove an insuperable barrier to the spread of syndicalist ideas. At the same time, he sees in the movement a warning that even more aggressive efforts must be made to extend the field of collective bargaining and protect through labor laws the classes who for any reason cannot organize effectively to protect themselves. His second lecture he calls significantly "On the Way to the Legal Minimum Wage" (*Auf dem Wege zum gesetzlichen Lohnminimum*).

Beginning with the wage-boards and arbitration courts of Australasia, he describes in this lecture the steps by which the legal-minimum-wage policy has been introduced into the United Kingdom, and concludes that the principle, accepted first as a means of remedying the sweating system and settling the coal strike, is bound to spread until it is an accredited part of the program of protective labor legislation of all progressive countries.

Even more interesting to American readers than these lectures is the appendix attached to them in which is narrated the history of the controversy in which Professor Brentano's advocacy of collective bargaining involved him with certain representatives of

German employers' associations. Statements which he had made in a previous lecture were not only misquoted and distorted but made the basis of a concerted effort to represent him as an embittered enemy of German employers and a deliberate fomentor of violence and thus to discredit him as an economist. After trying in vain to correct the misstatements made about his teachings by dignified replies, he finally felt compelled to bring actions for malicious slander against his detractors. The five suits which he instituted were all successful. The imposition of fines proving ineffective, since the employers' association which was involved bore all of the costs, he succeeded in forcing his most unscrupulous adversaries formally to withdraw their charges and pledge themselves to correct the falsehoods which they had circulated. The incident is illuminating in many ways. It reveals the sensitiveness of German employers and the strained relations which have resulted from the refusal of many of them to enter into systems of collective bargaining with their employees, even when they are themselves organized in strong associations. It shows what great weight attaches in Germany to the statements of a professor of economics and what influence a teacher like Brentano has come to exert over public opinion. Finally, it proves that, in Germany at least, a resort to the law may sometimes prove effective as a means of protecting a scientific reputation and securing authoritative disproof of slanderous statements.

In commenting on the continued innuendos of one of his critics after he had solemnly pledged himself to desist from spreading false information, Brentano declares feelingly that he will not allow himself to be further disturbed by anything this writer may say; that only one thing has any terror for him, that is, the necessity of again instituting legal proceedings to protect his reputation! To a high-minded, sensitive man like Professor Brentano the experience must have been intensely disagreeable. His German colleagues should be all the more grateful to him for standing up for what is quite as important as *Lehrfreiheit*, the right to have views on issues of the day that have been carefully formulated and deliberately expressed, correctly reported and honestly discussed by those who may happen not to agree with them.

HENRY R. SEAGER.

NEW BOOKS

BOOTH, C. *Industrial unrest and trade union policy*. (London: Macmillan. 1914. Pp. 32. 1s.)

- BOUCHE, B. *Les ouvriers agricoles en Belgique*. (Brussels: Misch & Thron. 1913. Pp. vi, 265. 7.50 fr.)
- BUOMBERGER, F. *Soziale Gedanken eines schweizerischen Arbeitgebers vor 40 Jahren*. (Zurich: Füssli. 1913. Pp. 95. 1 M.)
- GOLDSTEIN, J. *Arbeiter und Unternehmer im Baugewerbe Deutschlands. Zur Vorgeschichte der grossen Aussperrung*. (Zürich: Rascher. 1913. Pp. 244. 6.50 M.)
- KAUFMANN, A. B. *Vergleichende Untersuchungen über den Schutz der Arbeiter und Angestellten der grossherzoglichen badischen Staatseisenbahnen und der schweizerischen Bundesbahnen*. (Munich: Duncker & Humblot. 1914. Pp. vii, 158. 6.80 M.)
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- LEROY, M. *La coutume ouvrière. Syndicats, bourses du travail, fédérations professionnelles, coopératives, C. G. T., doctrines et institutions*. Two volumes. (Paris: Giard & Brière. 1913. 18 fr.)
- LEWIS, A. D. *Syndicalism and the general strike; an explanation*. (Boston: Small. 1913. \$2.50.)
- MONEY, L. G. C. *Hope for the worker*. Brother Richard's bookshelf, no. 4. (York, Eng.: 31 St. Mary's. 1914. 1d.)
- LE NOIR DE TOURTEAUVILLE, A. *Du payement des salaires des ouvriers et employés, de la suppression des économats et de la protection des femmes en couches, commentaire des lois du 7 décembre 1909 et 25 mars*. (Paris: A. Lahure. 1914. 6.50 fr.)
- PRAGIER, A. *Die Produktivgenossenschaften der schweizerischen Arbeiter*. (Zurich: Rascher. 1913. Pp. 162. 5 M.)
- RABINOWITZ, S. *Zur Entwicklung der Arbeiterbewegung in Russland bis zur grossen Revolution von 1905*. (Berlin: Springer. 1914. Pp. vi, 97. 3.60 M.)
- RICHEY, H. *The federal employers' liability act; being a treatise on the federal act of April 22, 1908, and the amendment of April 5, 1910*. (Charlottesville, Va.: The Michie Co. 1913. Pp. 195. \$2.50.)

- ROWNTREE, S. *The way to industrial peace.* (London: Unwin. 1913. 2s. 6d.)
- THOMAS, G. N. W. *Workmen's compensation cases.* (London: Butterworth. 1914. Pp. 122.)
- WAGNER, M. *Zur Frage der Arbeitslosenversicherung in Deutschland.* (Berlin: Zillesen. 1914. Pp. 115. 2 M.)
- WILLIAMS, R. *The first year's working of the Liverpool docks scheme.* (London: King. 1914. 3d.)
- American legislation restricting the hours of labor for women; extracts from the statutes.* (New York: National Consumers' League. 1914. Pp. 24. 50c.)
- Brief in defense of minimum wage rulings of the Oregon Industrial Welfare Commission.* (New York: National Consumers' League. 1914. \$1.)
- Railway conciliation scheme. Scheme of 1907 as amended by the railway conference agreement of December 11, 1911.* Cd. 7037. (London: Wyman. 1913. Pp. 288. 2s. 3d.)
- The unemployed. Being the seventh report upon the work of the central (unemployed) body for London, covering the period July, 1912, to June, 1913.* (London: King. 1914. 1s.)
- Enquête sur la réduction de la durée du travail le samedi (semaine anglaise).* (Paris: Office du Travail. 1913. Pp. 260.)
- La réglementation légale de la convention collective de travail.* (Paris: Alcan. 1914. Pp. 147. 1.50 fr.)

Money, Prices, Credit, and Banking

The Operation of the New Bank Act. By THOMAS CONWAY, JR., and ERNEST M. PATTERSON. (Philadelphia: J. B. Lippincott Company. 1914. Pp. viii, 431. \$2.00.)

This is a timely book which will meet the need of a large number of people, especially bankers, who wish to know precisely what the new bank act means and how it will be likely to affect their business.

After a chapter on the defects in our present banking system and another in which the new law is summarized, the authors discuss in detail each feature of the new system, making comparisons with foreign and other proposed systems and describing existing conditions and practices, whenever such procedure throws light upon the meaning and probable operations of the new law. The features treated are grouped under the heads: the regional system; ownership; the federal reserve banks; the control of the new system; the powers and duties of the Federal Reserve Board; rediscounts; foreign acceptances; retiring the national bank notes;

the new reserve bank notes and refunding the bonds; the federal reserve notes; possibility of inflation; open market operations and control of the gold supply; government deposits and the relations of the government to the system; the reserve problem in its various aspects; clearing checks and drafts; mortgage loans on farm lands; and the effects of the system on the country, the reserve city, the central reserve city, and the state banks respectively.

For the most part the authors have kept their own views in the background, on doubtful points quoting opinions *pro* and *con* expressed before the congressional committees during the hearings and in the public press. Their attitude in general is favorable and commendatory. Apparently they believe in the law and expect great benefits from it. At the same time they make clear the difficulties involved, notably that of preventing domination of the directorates of the federal reserve banks by the larger member banks, the maintenance of adequate gold reserves, the prevention of undue disturbance to business as a result of the shifting of reserves, the retirement of the national bank notes, the proper arrangement of the districts, and the treatment of the state banks either inside or outside of the system. On such moot questions as the composition of the Federal Reserve Board, bank ownership, and compulsory subscriptions by national banks, the proper number of districts to establish, the possible effects of the shifting of reserves, the operation of the new clearing system, the effects of the system on the three classes of national banks and on state banks and trust companies, the treatment is full and fair and the conclusions drawn conservative.

To the discussion of the reserve problem seven chapters and 120 pages are devoted. Elaborate calculations are made, based on various suppositions regarding the action the country and reserve city banks may take with reference to the withdrawal of their balances with reserve agents, and the conclusion is drawn that the burden will probably fall on the central reserve cities, especially New York, and that it may prove to be grievous, involving rediscounting on a large scale and probable curtailment of credits. The possible inability of the federal reserve bank in the New York district to grant all the rediscounting accommodations that may be needed is also suggested. The authors show that the periods of greatest stress will be the beginning of the twenty-fifth and the end of the thirty-sixth month after the new system is inaugurated. They sug-

gest that the difficulty involved in the possible curtailment of credits may be met by the shifting of loans from New York and the other central reserve cities to other parts of the country, and that within the period of three years changes in the resources of the banks may be made that will considerably modify the gloomy aspects of the problem. They have laid chief emphasis, however, on the difficulties to be met rather than on the means available for meeting them, and have thus drawn a needlessly gloomy picture.

Regarding the probable attitude of the banks towards rediscounting, the authors are also inclined to be pessimistic, and, from the privilege of accepting bills drawn in connection with our foreign commerce, they do not anticipate so great advantages as many persons have at least hoped for. On the other hand, they take an optimistic view regarding the possibilities of the new clearing system and the danger of inflation. The limitations placed on the open market operations of the federal reserve banks they regard as the chief defect of the measure.

Two points are brought out in this discussion which have so far attracted little or no attention, namely, the absence in the act of any prohibition against the payment of interest on deposits and the question whether bond-secured notes issued by the federal reserve banks would be subject to the tax now levied on national bank notes. In the discussion of the former of these points the advantages that might be derived from the payment of interest are brought out much more clearly than the disadvantages. The bearing of the second question upon the rapidity with which the national bank notes are retired is pointed out, as is also the inadequacy of the provisions of the act relative to this important subject.

The authors' interpretation of the meaning of the act though convincing in most cases is questionable in a few. For example, they seem to assume that the 40 per cent reserve in gold prescribed for federal reserve notes cannot be lowered, on payment of the prescribed tax, without the consent of the Federal Reserve Board and that this board must levy a tax on all such issues. On page 173 they state that the federal reserve banks cannot discount for nor lend to private individuals, while two pages later they clearly show that they can do so provided the form of document used be a bill of exchange. It may also be questioned whether they have not underestimated the power of the federal reserve banks to aid member banks (p. 229).

WILLIAM A. SCOTT.

University of Wisconsin.

The Credit System. By W. G. LANGWORTHY TAYLOR. (New York: The Macmillan Company. 1913. Pp. x, 406. \$2.25.)

The method of this treatise on the origin and structure of credit is frankly evolutionary. The author believes there is an essentially organic relationship between economic phenomena. Credit, prices, profits, and interest are all interrelated and carefully articulated in the economic system. The fundamental explanation of credit is psychological, but it is closely conditioned and qualified by environment. In attempting to deduce economic principles solely from marginal utility the adherents of the Austrian school have gone too far and spun too fine a web. No single cause is sufficient to explain the complex conditions which give rise to credit. Credit itself is based on psychological facts, but is made possible by the power of the environment to create utilities. Without the possibility of productivity, credit could not come into existence. The author defines credit as "the power which sets industry going" (p. 45), and includes in credit not only the conventional forms but also money—even under limited conditions metallic money—and stocks and bonds. This furnishes a much wider range for credit than the one customarily adopted.

Some of the salient features of the book are: (1) Credit is the principal medium of exchange, so that in a régime of credit, gold is merely a store of value. (2) The main business of a bank is that of guarantor, and through its agency bad credit should be weeded out. (3) There is no essential difference between the bank note and the deposit; both are credit instruments guaranteed by the bank. (4) Final payment is only made when the method of *liquidation*—the extinguishment of a loan by a new loan, or *set off*, the cancellation of a loan by a check drawn against a deposit—can no longer be used. (5) Credit must be explained in terms of three environments: (a) the psychological environment in which money is the guaranty fund or materialistic factor; (b) the intermediate environment in which money is a credit document and payment is made with goods, the goods being the guaranty of the money; and (c) the materialistic or productive environment in which fixed or circulating capital (demand credit) represents the guaranty (pp. 197-199). (6) Investment is a process of merging short-term credit into long-term credit in which the stock and bond holders are the guarantors of production. (7) Capital must more and more be defined in the financial sense of "credit control." (8) There is a value adjustment continually taking place in order

to equalize rates, and interest is the outcome of fluctuations in profits, which in turn give rise to these value adjustments. (9) The complex problems of interest and rent are solved by projecting capital and land into different environments. (10) Fluctuations in prices are due to the natural conditions of competition so that any attempt to render justice to debtor and creditor by way of the standard is unsatisfactory. (11) "Competition is better calculated to do justice than unripe legislation" (p. 398); the great need is to encourage more responsible and careful management of credit institutions.

Running through the book are suggestions in regard to the intimate relation of credit to prices, while chapters 8, 9, 10, and 11 are devoted almost exclusively to this topic particularly in its relation to crises. The validity of the older conception of the quantity theory of money is rudely shaken. It is said to be too materialistic. Gold no longer circulates. In times of crises only, gold receives a forced circulation and thus affects prices. In normal times the circulation consists of credit instruments and the credit supply is the determinant of prices. The supply of credit arises to some extent from new accessions of gold to the bank reserves or to circulation, but receives a much stronger stimulus "when the ratio of profits in the community is higher than the rate of interest that obtains on loans" (p. 277). The problem of prices, then, is largely one of the credit supply. In case of a fall in prices, for example, the sequence is: (1) expected objective values are not realized; (2) "fall in profits or supposed profits leads to (3) shrinkage in the valuation of securities; that determines (4) a diminution in bank loans and discounts, which, in turn, decreases (5) nominal purchasing power, with the result that (6) prices are pulled down" (p. 281). This view of the case leads to a considerable revision of the basis, at least, of the quantity theory. With credit instruments arising out of speculative or actual profits which are based not on a single utility, such as gold, but upon all utilities in the process of being produced it would seem that the simple explanation of price changes offered by the quantitative theorists is scarcely adequate to interpret the changes in the general level of prices under a credit régime.

The general principles of the book are timely and suggestive. Its real value consists in broadening the field of credit and in showing the intimate relations of credit to other economic factors. There is, however, a lack of coherence and unity, and many of the author's statements are vague.

A good many sentences in the book are extremely difficult to understand, if not entirely incomprehensible. On page 10 appears this sentence: "In each case, the value of the credit is ascertained in connection with the appertaining process, its prospects and productivity." On page 61, "whenever a financial crisis takes place, a contrast between entourages is evoked, which is not merely a contemporaneous setting-over-against-one-another of previously concordant elements, but is also a temporal and historical." And on page 196 occurs this astounding sentence, "Logical analysis is agnostic of antecedents before a chosen point of departure." The writer also seems to be over fond of choosing very difficult and unusual words. The involved sentences and unusual words make the book tiresome reading, and add an element of obscurity to an already sufficiently difficult subject. The reviewer believes that there is danger of bringing economic writing into disrepute by the failure to use clear, intelligible English.

It is to be regretted that the well-selected bibliographies at the end of the chapters should contain so many errors. In some cases the author of the book or article is left out; in others, the title of the book is omitted. The exact pages, or the number of the volume, or the correct title of a government commission with the date are often not given. Such errors are undoubtedly due to carelessness in verification or to poor proof-reading.

EVERETT W. GOODHUE.

Colgate University.

NEW BOOKS

ARNAUD, L. *Guide des caisses d'épargne et de leurs déposants.* (Paris: A. Lahure. 1914. 3 fr.)

AUGSTIN, M. *Die Entwicklung der Landwirtschaft in den Vereinigten Staaten von Nordamerika und ihr Einfluss auf die Preisbildung landwirtschaftlicher Erzeugnisse.* Schriften des Vereins für Sozialpolitik, 141. (Munich: Duncker & Humblot. 1914. Pp. 149. 4 M.)

BABBOTT, W. M. *Solution of the economic or social problem; realm of conservation; the high cost of living.* (Taunton, Mass.: Hack & Son. 1913. Pp. 169, 29, illus. \$3.)

Part II, privately printed, but few copies issued.

BARKER, D. A. *The theory of money.* The Cambridge manuals of science and literature. (Cambridge: University Press; New York: Putnams. 1913. Pp. 141. 40c.)

A brief elementary discussion supplementary to the author's *Cash Credit* published earlier in this series of manuals. Serviceable in that it popularizes the recent contributions of Fisher in the treat-

ment of the equation of exchange, and of Kemmerer on the quantity theory of money. In appendices the author makes a few independent mathematical analyses.

BERNIS, F. *Estudios estadísticos. Contribucion à la Investigacion de la situacion economica de los trabajadores en Espana.* (Barcelona: Tipografia La Acadèmia. 1914.)

BOEHMER, J. *Our currency problem.* Cartoons by R. WILDER. (Bloomington, Ill.: Peoples' Currency League. 1913. Pp. 43. \$1.)

BOISSEVAIN, A. G. *Over prijzen, loonen en goudproductie.* (Haarlem: Tjeenk Willink. 1913. 1 fr.)

COMBAT, F.-J. *Banques et opérations de banque.* (Paris: Berger-Levrault. 1914. Pp. xi, 446. 7 fr.)
To be reviewed.

DANIEL, J. W. *A treatise on the law of negotiable instruments.* Sixth edition, re-edited and enlarged by THOMAS H. CALVERT. (New York: Baker, Voorhis. 1913. \$15.)

DECOURDEMANCHE, J.-A. *Traité des monnaies, mesures et poids anciens et modernes de l'Inde et de la Chine.* (Paris: E. Leroux. 1913. 4 fr.)

DITTMAR, H. *Depositenbanken eines Agrarlandes.* Archiv für exakte Wirtschaftsforschung, 10. (Jena: Fischer. 1913. Pp. xi, 286. 10.80 M.)

DORSAINVIL, J. B. *La monnaie. La circulation fiduciaire et les échanges internationaux.* (Paris: Giard & Brière. 1913. Pp. viii, 107. 2.50 fr.)

DUFOURMANTELLE, M. *Recueil des principales lois étrangères régissant le crédit populaire.* (Menton: Impr. Coopérative Mentonnaise. 1913.)

DUVERGIER, D. *Le rôle économique du chèque.* (Paris: Tenin. 1914.)

FISHER, I. *Why is the dollar shrinking: A study of the causes underlying the high cost of living.* (New York: Macmillan. 1914. \$1.25.)

ILLIG, H. *Das Geldwesen Frankreichs zur Zeit der ersten Revolution bis zum Ende der Papiergeldwährung.* (Strassburg: K. J. Trübner. 1914. 3 M.)

KAUTSKY, K. *The high cost of living, changes in gold-production and the rise in prices.* Translated by A. LEWIS. (Chicago: Kerr. 1914. Pp. 114. 50c.)

KLINKER, F. W. *Studien zur Entwicklung und Typenbildung von vier rheinisch-westfälischen Provinzaktienbanken.* (Karlsruhe: Braun. 1913. Pp. viii, 199. 4.20 M.)

LABORDERE, M. *Mouvements de l'or aux Etats-Unis (1890-1911) et tableau des mouvements de l'or dans le monde en 1911.* (Coulommiers Paul Brodard. 1913. Pp. 29, maps.)

- LANDRY, A. *Le crédit industriel et commercial*. (Paris: Dunod & Pinat. 1914. Pp. 313. 4.50 fr.)
To be reviewed.
- MARTIN, W. M. *Ten more talks on banking law*. (St. Louis: Mississippi Valley Trust Co. 1913. Pp. 51.)
- MICHIE, T. J., editor. *A treatise on the law of banks and banking*. Three volumes. (Charlottesville, Va.: The Michie Co. 1913. \$6.50 per vol.)
- PERLMANN, L. *Die Bewegung der Weizenpreise und ihre Ursachen*. Schriften des Vereins für Sozialpolitik, 139. (Munich: Duncker & Humblot. 1914. Pp. 73. 2 M.)
- REYNOLDS, F. E. *Uncle Sam, our banker and employer, how he could be and why he should be*. (Oakland, Cal.: The author. 1913 Pp. 95. 25c.)
- ROBINSON, J. *Oriental numismatics: a catalogue of the collection of books relating to the coinage of the East presented to the Essex Institute, Salem, Mass.* (Salem, Mass.: J. Robinson, 18 Summer St. 1913. Pp. 102. \$3.)
- SCHILLING, J. *Ueber die Frage der Errichtung eines deutschen Goldmarktes*. (Karlsruhe: Braun. 1914. Pp. iv, 83. 1.80 M.)
- SCHMID, A. *Die aargauische Bank (1854-1912.)* (Aarau: H. R. Sauerländer. 1913. Pp. viii, 192. 3 M.)
- SCOTT, W. A. *Money*. (Chicago: McClurg. 1913. Pp. 124. 50c.)
A clear statement for the general reader in which the author follows the theory of value developed in his larger work on *Money and Banking*. This will be supplemented by another primer on *Banking*. On page 92 the author criticises Fisher's proposal for a compensated dollar.
- SIMON, H. V. *Die Interimsscheine. Zugleich ein Beitrag zur Geschichte und Lehre der Aktien- und Anleihepapiere*. (Berlin: Guttentag. 1913. 8 M.)
- THOMSEN, H. *Der Scheck im englischen und deutschen Recht*. (Berlin: E. Frensdorf. 1913. Pp. 98. 2 M.)
- TYSZKA, C. *Löhne und Lebenskosten in Westeuropa im 19. Jahrhundert (Frankreich, England, Spanien, Belgien)*. Schriften des Vereins für Sozialpolitik, 145. (Munich: Duncker & Humblot. 1914. Pp. viii, 291. 8 M.)
- WALTER, M. *Wörterbuch des Geld- Bank- und Börsenwesens. Mit einem Anhang: Wechselordnung und Scheckgesetz*. (Berlin: Liebelsche Buchh. 1913. Pp. 105. 1.25 M.)
- YOUNGMAN, E. H. *The new banking and currency law*. (New York: Bankers Pub. Co. 1914.)
- Food prices in London*. (London: Charity Organ. Soc. 1913. Pp. 35. 2d.)

Revision of the act respecting banks and banking. Minutes of proceedings, evidence, etc., committee on banking and commerce during parliamentary session of 1912-1913. Appendix no. 2 to journals of the House of Commons. (Ottawa: Committee on Banking and Commerce. 1913. Pp. 725.)

Public Finance, Taxation, and Tariff

Betrachtungen über die Finanzreform des Reiches und über Verwandtes. By GUSTAV COHN. (Stuttgart: Verlag von Ferdinand Enke. 1913. Pp. vi, 516. 14 M.)

This volume is a collection of eight essays originally published in scientific journals. Four deal with German imperial finance, two treat of American taxation, and two discuss the scientific character of economics and the relation of this science to economic policy. The author's studies in German and American finance lead him to the conclusion that the underlying problem is the same in both countries; and the concluding essays upon the science of economics have a similar theme, thus giving a certain unity to the collection.

Professor Cohn has long been interested in German imperial finance; and, like all thoughtful Germans, has been profoundly dissatisfied with the treatment the Empire's finances have received at the hands of contending parties and factions, in the Reichstag and elsewhere. He sees no satisfactory solution in the various new-fangled taxes proposed, and holds that the real trouble is that Germans have been lacking in the sense of public duty. Heavier taxation of people with the greatest ability to contribute is what he considers necessary; and since he would leave the property tax to the states, he favors the development of the inheritance tax into an important source of revenue for the Empire. The last of these essays was written before the novel legislation of 1913 was enacted, and may well be supplemented by a reading of the article contributed by Professor Cohn to the December, 1913, number of the *British Economic Journal*.

The two essays upon American taxation review interestingly and somewhat critically recent American discussion of the subject. Professor Cohn is not inclined to look with favor upon current proposals to convert state and local taxation into a system of objective taxes, and holds that they lead away from the true goal of tax reform, which he evidently regards as taxation in accordance with subjective ability. Neither will an income tax help at present, since this would mean a mere change in form and would not go to the root of the difficulty. The real trouble

is that Americans, on account of their self-seeking disposition, are unwilling to perform their duty as taxpayers. Fundamentally the situation is the same as in German imperial finance, although Professor Cohn has not such a low opinion of his countrymen as he entertains of Americans.

Much of Professor Cohn's criticism of American plans of tax reform is sound, and these plans are gradually undergoing change. The situation, however, is not as dark as the distinguished critic supposes. Changes in administrative methods have improved conditions materially within a decade. Changes in methods of taxing personal property give at least some hope for the future. And finally Wisconsin's experience with the income tax is going to require a revision of our notions and Professor Cohn's notions about the American taxpayer.

Harvard University.

CHARLES J. BULLOCK.

Sources of Municipal Revenue in Illinois. By LENT DAYTON UPSON. (Urbana-Champaign: The University of Illinois, 1912. Pp. 126. \$.75.)

Taxation of Corporations in Illinois, other than Railroads, since 1872. By JOEL ROSCOE MOORE. (Urbana-Champaign: The University of Illinois, 1913. Pp. 110. \$.55.)

Illinois is one of the states which has had no share in the movement for reform of the system of state and local taxation which has been so marked within the last few years. It is still living under a revenue law which has undergone no substantial change for more than forty years, and which has been administered in a notoriously inefficient manner. These two studies have evidently been prepared with a view to contributing to the reform of the existing system. Mr. Upson deals with the revenue systems of twenty-four cities, the largest, East St. Louis, having a population of 58,547, and the smallest, Urbana, 8,245. The majority of these cities publish no annual financial statement and "no printed report gave a complete statement for a single city." The study discloses no special features of municipal finance which differentiates the cities of Illinois from cities in other states. Revenue is derived from the general property tax supplemented by licenses, among which liquor licenses are the most important, and other minor sources of revenue. These minor sources of revenue as well as the financial aspects of public waterworks and electric plants and also municipal indebtedness are treated in considerable detail.

Mr. Moore furnishes an historical sketch of the methods employed in Illinois for the taxation of corporations in general, and of the special methods applied to banks and insurance companies.

Illinois has developed no system of taxation of corporations as a source of state revenue. It derives a considerable revenue from fees paid by corporations on the occasion of obtaining their charters and increasing their capital stock, as well as from taxes and charges, in the nature of fees, levied upon insurance companies, the most productive of which are, apparently, the "reciprocal" (more accurately, retaliatory) taxes levied on insurance companies incorporated in other states.

Under the revenue law of 1872 corporations with Illinois charters were, generally speaking, taxable locally on the full value of their property as represented by their stocks and bonds, and the securities in the hands of their holders were exempt. The tangible property of such corporations was assessed where situated by the local authorities. The "corporate excess," *i.e.*, the excess of the value of the securities over the tangible property assessed locally, was determined by the state board of equalization and the amount returned to the authorities of the locality in which the corporation was situated to be taxed by them. From time to time the corporate excess of corporations engaged in manufacturing and mercantile business, in printing, publishing newspapers, mining and selling coal, stock breeding, and building and loan associations was exempted from assessment by the board and practically from all assessment, although the courts decided later that such exemption simply transferred to the local authorities the duty of assessing such corporate excess. As a result of these changes, assessment by the board is practically confined to public service corporations in Cook County.

Leaving out of account railroads, which are assessed under special provisions of the law and are not considered by Mr. Moore, the assessments of such companies amounted in 1909 to \$30,903,341 out of a total assessment of \$34,404,441. In considering these figures it should be noted that property in Illinois is legally assessed at one third (prior to 1909 at one fifth) of its cash value.

Such studies furnish a welcome addition to our fund of information concerning existing tax systems. Both would, however, have been improved by greater attention to style and clearness of exposition.

The reviewer, at least, has been unable to get a clear idea of

just the extent of the powers of municipalities in matters of taxation or of just the scope of the term "general" as applied to property taxes in tables 1, 30, and 31 of Mr. Upson's study. A comparison between the tables makes it clear that it does not include the tax for school purposes; but does it include the taxes for other purposes mentioned on page 13? In table 1, which apparently refers to all property taxes, the percentages in the first column are calculated on the basis of the tax for general purposes only.

Errors due to carelessness are also evident; for example, in table 2 of Mr. Upson's study the total for Alton is not the correct sum of the separate items. In Mr. Moore's study there are either misprints or errors of arithmetic on pages 61 and 92. The reference at the bottom of page 60 to the report of the Bureau of Labor Statistics in 1894 should be to page 40 instead of page 32, and the year mentioned at the top of page 61 should be 1894 instead of 1893.

HENRY B. GARDNER.

NEW BOOKS

- AMILHAT, L. *Les taxes foncières anglaises de la loi des finances de 1909-1910*. (Toulouse: Rivière. 1914. Pp. 425. 10 fr.)
- ARDUINO, A. E. *Elementi di scienza delle finanze e diritto finanziario*. (Brescia: Vannini. 1914. Pp. 444. 4 l.)
- BARON, A. *Le ministère des finances, organisation et attributions*. (Paris: Rouston. 1914. 5 fr.)
- BATTISTELLA, C. *Il concetto di reddito in economia, in finanza e nel diritto finanziario*. (Rovigo: Tip. Soc. 1913. Pp. 112. 3.50 l.)
- BOEGLER, A. *Die finanziellen Ergebnisse der bayrischen Post- und Telegraphenverwaltung*. (Leipzig: Deichert. 1913.)
- BORGATTA, G. *Contributo critico alla teoria finanziaria: nota I*. (Torino: V. Bona. 1913. Pp. 95.)
- BUFFI, A. *Il monopolio dei sali e dei tabacchi in Italia*. (Rome: G. Bertero. 1913. Pp. xx, 220. 4 l.)
- DAMASCHKE, A. *Reichs-Finanzreform und Bodenreform*. (Berlin: Buchh. Bodenreform. 1913. Pp. 46. 0.80 M.)
- DEAN, C. R. *The substance of the federal income tax law of 1913, with annotations*. (Washington: Crane Co. 1913. Pp. 22. 25c.)
- DEVELLE and HAYEM, editors. *Deuxième congrès international de la réglementation douanière (18 novembre 1913)*. (Paris: Revue du Commerce, de l'Industrie et de la Banque. 1914. Pp. 228.)

- DRION DU CHAPOIS, F. *Les finances et la comptabilité communale en Belgique*. (Heyst-sur-mer: Alfred Pytgat. 1913. Pp. vii, 130. 10 fr.)
- EINAUDI, L. *Lezioni di scienza delle finanze, raccolte e pubblicate a cura dell dott. ACHILLE NECCO*. Vol. II. (Torino: E. Bonno. 1913. Pp. 171-316. 8 l.)
- ESMONIN, E. *La taille en Normandie au temps de Colbert (1661-1683)*. (Paris: Hachette. 1913. Pp. xxxi, 552.)
To be reviewed.
- FALLON, V. *Les plus-values et l'impôt*. (Paris: Rousseau. 1914. 6 fr.)
- GIRETTI, E. *I trivellatori della nazione*. (Rome: Libreria Politica Moderna. 1913. 1 fr.)
Reviewed in *The Economist*, Dec. 20, 1913.
- GRANT, A. H. *A list of defunct municipal lighting plants*. Ninth edition, enlarged. (New York: Munic. Ownership Pub. 1913. Pp. 62. 50c.)
- VON HECKEL, M. *Lehrbuch der Finanzwissenschaft*. Vols. I, II. (Leipzig: Hirschfeld. 1914. 10 M.; 12 M.)
- HARZENDORF, F. *Die Einkommensteuer in England*. (Tübingen: H. Laupp. 1914. Pp. vi, 202. 6 M.)
- KAEDING, E. *Beiträge zur preussischen Finanzpolitik in den Rheinlanden während der Jahre 1815-1840*. Studien zur rheinischen Geschichte, 8. (Bonn: Marcus & Weber. 1913. Pp. xii, 153. 3.80 M.)
- KATZENELSOHN, P. *Zur Entwicklungsgeschichte der Finanzen Russlands*. Vol. I. 1560-1796. (Berlin: Ebering. 1913. Pp. 120.)
- LA LUMIA, I. *I depositi bancari*. (Torino: Un. Tip. Edit. Torin. 1913. Pp. viii, 302. 6 l.)
- LISSNER, J. *Die Zukunft der Verbrauchssteuern in Deutschland*. Finanzwirtschaftliche Zeitfragen, 9. (Stuttgart: Enke. 1914. Pp. 56. 2 M.)
- LOHMANN, W. *Die besonderen direkten Gemeindesteuern in Preussen*. (Jena: Fischer. 1913.)
- NEWMAN, W. B. *Key to cotton schedule U. S. tariff*. (New York: Economy Press. 1913. \$2.50.)
- NICHOLS, P. *Taxation in Massachusetts*. (Boston: Financial Pub. Co. 1913. Pp. 826. \$6.)
- PATTERSON, S. H. *How to comply with the income tax law relating particularly to tax on interest*. (New York: Trust Co. Mag. 1913. Pp. 25. 50c.)
- PERRIN, J. W. *History of the Cleveland sinking fund of 1862*. (Cleveland, O.: Arthur H. Clark Co. 1913. Pp. 68. \$2.50.)

- PORRI, V. *Le finanze delle province austriache*. (Piacenza: Fratelli Bernardi. 1913. Pp. 84.)
- RICH, W. W. *Handbook of the United States tariff*. (New York: Vandegrift. 1913. Pp. xiv, 986. \$3.)
- RICHTER, F. *Das Recht der Gebühren—nach dem preussischen Kommunalabgabengesetz*. (Berlin-Wilmersdorf: Rothschild. 1913. Pp. vii, 148. 3.20 M.)
- SEARS, J. H. *Federal income tax service*. (Detroit, Mich.: Counselors Pub. Co. 1913. Pp. 358. \$4.)
- SILVERS, E. B. *Single tax a fallacy*. (Kansas City, Mo.: Convention Pub. Co. 1913. 50c.)
- SNELLING, W. E. *Income tax practice*. (London: Pitman. 1914. 7s. 6d.)
- STAUB, W. A. *Income tax guide*. (New York: Lybrand, Ross Bros. & Montgomery. 1913. Pp. 64. 50c.)
- STRAHL, F. *Der Streit um die Wehrsteuer*. (Stuttgart: Enke. 1913. Pp. 175. 6 M.)
- SZOMBATHY, O. *Die neue Einkommensteuer*. (Vienna: Manz. 1914. Pp. viii, 144. 1.30 M.)
- TANGORRA, V. *Contributo alla teoria delle tasse: principii fondamentali della dottrina*. (Pisa: Stab. Tipog. Toscano. 1913. Pp. 102.)
- TOURNON, M. E. and others. *La situation financière de la France*. (Paris: Comité Central d'Etudes et de Défense Fiscale, 21 Rue Croix-des-Petits-Champs. 1914.)
- TREUHERZ, W. *Die zollpolitische Assimilationsgesetzgebung Frankreichs*. (Jena: Fischer. 1914.)
- VERINDER, F. *Land, industry and taxation*. The people's books, 121. (New York: Dodge Pub. Co. 1914. Pp. 94. 25c.)
- VOUTERS, H. *La couverture financière des dépenses militaires allemandes*. (Paris: Giard & Brière. 1913. 2.75 fr.)
- WEISSENBORN, H. *Was ist die einmalige Vermögenssteuer?* (Berlin: Verlagsanstalt "Politik." 1913. 0.80 M.)
- WHITTAKER, T. P. *The ownership, tenure, and taxation of land*. (New York: Macmillan. 1914. 12s.)
(To be reviewed.)
- WRIGHT, R. S. and HOBHOUSE, H. *An outline of local government and local taxation in England and Wales, excluding London*. Fourth edition, revised and brought down to date. (London: Sweet & Maxwell. 1914. 6s. 4d.)
- Customs tariff act, October 3, 1913, with alphabetical schedule and administrative provisions, Cuban reciprocity treaty, pure food act of March 3, 1903, list of parcel post countries*. (New York: National Assoc. Customs Brokers. 1913. Pp. 649.)

Graduated income taxes in foreign states. Reports of H.M. representatives abroad. (London: Wyman. 1914. 1s. 7d.)

United States internal revenue regulations (supplemental) relative to deduction of federal income tax at the source; Treasury decisions issued Dec. 4, 1913, to Dec. 16, 1913. (New York: Bankers' Trust Co. 1913. Pp. 29. Gratis.)

Projet de budget de l'exercice 1914, ville de Paris (Forme nouvelle). (Paris: Paul Dupont. 1914. Pp. iv, 454.)

La réforme du tarif douanier des états de l'Europe centrale et la défense des intérêts français. (Paris: Fédération des Industriels et des Commerçants Française. 1914.)

Population and Migration

NEW BOOKS

BRAWLEY, B. G. *A short history of the American negro.* (New York: Macmillan. 1913. Pp. xvi, 247. \$1.25.)

DAUZAT, A. *L'expansion italienne. L'émigration. La conquête de Tripoli. La régénération intérieure. Politique orientale. France et Italie.* (Paris: Fasquelle. 1914. 3.50 fr.)

KOEPPE, H. *Säuglingssterblichkeit und Geburtenziffer.* (Vienna: Hölder. 1913. Pp. iii, 74. 2 M.)

LUNDBORG, H. *Medizinisch-biologische Forschungen innerhalb eines 2232 köpfigen Bauerngeschlechtes in Schweden (Provinz Blekinge).* (Upsala: Dr. H. Lundborg, University of Upsala. 1914.)

MARTIN, A. E. *Our negro population.* (Kansas City, Mo.: Franklin Hudson Pub. Co. 1913. Pp. 189, illus. \$1.25.)

This is the sort of study that should be made in any community where the negro population is large and where the people are beginning to awaken to a consciousness of the short-comings of their local culture. Mr. Martin, a teacher in one of the Kansas City high schools, has made a survey of the Kansas City negro's general economic condition, his income and expenditure, his success or non-success in business, his housing, health, and morals, crime tendencies, societies, education, and religious life. The chief question one would raise relates to the value of calculations of income and expenditure based on the sort of information any one would be able to get from the average negro family anywhere. But the author himself recognizes this defect in his method. The value of such a local monograph depends on the way we look at it. For the general reader it is likely to be simply so much sociological gossip—and that all the more because the author does not give us a summary of his own impressions and conclusions. For the people of Kansas City such a study should be a suggestive stimulus to a program of reform in housing conditions and various other matters. To the student of the race question, or of standards of living, or of eugenics, such a study

will take its place as one of hundreds to be made, out of which in the long run he may wring some basic data for generalization as to the future of American culture where two races add complexity to the fundamental problems of overpopulation, employment, and democracy.
A. B. W.

MOREAU. *Recherches et considérations sur la population de la France.* (Paris: Rivière. 1913. 12.50 fr.)

MOST, O. *Bevölkerungswissenschaft.* (Berlin: Göschen. 1913. Pp. 177. 0.90 M.)

OTIS, E. O. *Tuberculosis. Its cause, cure, and prevention. A book for laymen.* (New York: Crowell. 1914. Pp. xv, 326. \$1.25.)

This is a revised edition of *The Great White Plague* published in 1909. Of interest to the student of economics is chapter 14 on The Factory and the Workshop in their Relation to Tuberculosis. The author is impressed by the rising factory standards set by the legislation of some states, as Massachusetts and Connecticut, but apparently does not realize that many of these laws are not fully enforced as far as workmen are concerned.

PAULIN, H. *L'outillage économique des colonies françaises.* (Paris: E. Larose. 1913. Pp. vii, 208. 10 fr.)

PETROCCHI, C. *Riassunto delle conference sull'emigrazione, tenute in Salerno dell' 8 al 15 settembre 1912.* (Salerno: Fratelli Jovane. 1912. Pp. 81.)

RONSE, E. *L'émigration saisonnière belge.* (Gand: Het Volk. 1913. Pp. xvi, 257. 3 fr.)

ROST, H. *Geburtenrückgang und Konfession.* (Köln: Pachem. 1913. 2.40 M.)

VON SCHENCK, B. *Beiträge zur Statistik der Stadt Riga und ihrer Verwaltung.* (Riga: Jonck & Poliewsky. 1913. Pp. xi, 670. 6.50 M.)

SELLHEIM, H. *Produktionsgrenze und Geburtenrückgang.* (Stuttgart: Enke. 1913. Pp. viii, 40. 1.60 M.)

STUEBER, L. *Die Sterblichkeitsverhältnisse im Königreich Bayern für das Jahrzehnt 1901-1910.* (Munich: J. Lindauer. 1913. Pp. 99. 1.50 M.)

VIRGILI, F. *L'emigrazione agricola al Brasile.* (Florence: Ricci. 1913. Pp. 13.)

VISCHER, H. W. *Geburten- und Sterblichkeitsverhältnisse der Stadt Mannheim unter besonderer Berücksichtigung der Zeit seit der Jahrhundertwende.* (Heidelberg: Rössler & Herbert. 1913. Pp. 132, 32.)

WOLF, J. *Das internationale Zahlungswesen.* Veröffentlichungen der Mitteleuropäischen Wirtschaftsvereine in Deutschland, XIV. (Leipzig: A. Deichert. 1913. Pp. viii, 214. 6 M.)

Eugenics. Bulletin of the Russell Sage Foundation, no. 3, Feb., 1914. (New York: The Russell Sage Foundation Library. Pp. 3.)

A selected list of books. "With few exceptions it does not include the allied subjects of heredity and genetics, nor periodical articles indexed in the *Readers' Guide*."

Fifth census of Canada, 1911. Vol. II. Religions, origins, birthplace, citizenship, literacy and infirmities, by provinces, districts, and sub-districts. (Ottawa: Bureau of Census and Statistics. 1913. Pp. xvii, 654.)

The negro's progress in fifty years. The Annals of the American Academy of Social and Political Science, vol. XLIX, no. 138. (Philadelphia, Sept., 1913. Pp. 237.)

The contents of this number are divided into four parts: statistical; business activities and labor conditions; social conditions and problems; and educational progress and need. Under each of these heads are a number of brief papers on various topics connected with the negro's recent history in this country. Over half of the volume is devoted to the consideration of social, political, and religious questions, a quarter to education, and about one sixth to business and labor conditions. The papers are of very uneven value, most of them being mere expressions of hope or exhortation; but a few embody the results of some careful investigation. Several of the best are, Negro Population in the United States (T. J. Jones), Negro Criminality in the South (M. N. Work), Betterment of the Negro in Philadelphia (J. T. Emlen), Negro Illiteracy in the United States (J. P. Lichtenberger), Industrial Education and the Public Schools (B. T. Washington). The name of the volume is somewhat of a misnomer, as very few of the papers cover the period since the Civil War.

E. L. B.

Commission extra-parlementaire chargée d'étudier les questions relatives à la dépopulation en France et de rechercher les moyens d'y remédier (instituée par décret du 5 novembre 1912). Sous-commission administrative et juridique. Procès-verbaux des séances. (Paris: Impr. Nationale. 1913. Pp. 97.)

Säuglingsernährung, Säuglingssterblichkeit und Säuglingsschutz in den Städten Hannover und Linden. (Berlin: George Stilke. 1913. Pp. 136.)

Die ausländischen Wanderarbeiter in ihrer Bedeutung für Oberschlesien. Veröffentlichungen der Mitteleuropäischen Wirtschaftsvereine in Deutschland, XVI. (Leipzig: A. Deichert. 1913. Pp. viii, 81. 1.60 M.)

Social Problems and Reforms

NEW BOOKS

D'AETH, F. G. *Liverpool social workers' handbook.* (London: King. 1914. Pp. 223. 1s.)

BENNETT, E. N. *Problems of village life.* Home university library. (London: Williams & Norgate. 1914. Pp. 256. 1s.)

- BERRY, G. and J. *Le vagabondage et la mendicité en Russie, en Allemagne, en Hollande, en Belgique, dans les Etats scandinaves et dans le canton de Berne.* (Paris: Figuière et Cie. 1914. 3.50 fr.)
- BEST, R. H. and OGDEN, C. K. *The problem of the continuation school and its successful solution in Germany. A consecutive policy.* (London: King. 1914. 1s.)
- VON BIEBERSTEIN, F. M. *Die Sparpflicht für Minderjährige und die Wohnungsfrage.* (Jena: Fischer. 1914. Pp. iv, 130. 2.50 M.)
- BLAIKLOCK, G. *The alcohol factor in social conditions.* (London: King. 1914. 3d.)
- BODINE, W. L. *Bodine's reference book on juvenile welfare; a review of the Chicago social service system.* (Chicago: W. L. Bodine. 1913. Pp. 221. \$2.)
- CHERRINGTON, E. H. *History of the anti-saloon league.* (Westerville, O.: American Issue Pub. Co. 1913. Pp. 160. 50c.)
- COMPTON-RICKETT, A. *William Morris; poet-craftsman, social reformer.* (New York: Dutton. 1913. Pp. 325. \$2.50.)
- DEARLE, N. B. *Industrial training in London.* (London: King. 1914. 4d.)
- FARRINGTON, F. E. *Commercial education in Germany.* (New York: Macmillan. 1914.)
- FISCHER-ECKERT. *Die wirtschaftliche und soziale Lage der Frauen in dem modernen Industrieort Hamborn im Rheinland.* (Hagen i. W.: Karl Stracke. 1913. Pp. iv, 159. 3.60 M.)
- FLEXNER, A. *Prostitution in Europe.* (New York: Century Co. 1914. Pp. 9, 455. \$1.30.)
- FREEMAN, A. *Boy life and labour.* (London: King. 1914. 4d.)
- FRIEDE, H. *Die Kaufsteuer. Skizze einer Steuerreform.* (Leipzig: B. Friede. 1913. Pp. 50. 1 M.)
- FUCHS, F. *Beiträge zur Geschichte der Zürcher Effektenbörse, 1882-1891.* (Zurich: Füssli. 1913. 2 M.)
- GREATHOUSE, C. A. *Tentative course of study in industrial subjects.* Education publications, bulletin no. 2. (Indianapolis: Department of Public Instruction. 1913. Pp. 203.)
- GORING, C. *The English convict. A statistical study.* (London: Wyman. 1913. 9s.)
- GOERNANDT, R. *Die Boden- und Wohnungspolitik der Stadt Ulm.* (Berlin: Heymann. 1914. Pp. viii, 66. 2 M.)
- HAMILTON, W. B. *A social survey of Austin, Texas.* Humanistic series, no. 15. (Austin: University of Texas. 1913. Pp. x, 89, xix.)
- HIGGS, R. *The heart of the social problem.* (London: Stead. 1914. Pp. 143. 2s. 6d.)

- IVES, G. *A history of penal methods.* (London: Stanley Paul & Co. 1914. 10s. 6d.)
- LAPAGE, C. P. *Feeble-mindedness in children of school age.* (New York: Longmans. 1913. \$1.60.)
- McKEEVER, W. A. *The industrial training of the boy.* (New York: Macmillan. 1913. Pp. 9, 72. 50c.)
- MERLIN, M. R. *La crise du logement et les habitations à bon marché.* (Paris: Commission d'Action Sociale. 1914.)
- PERKINS, A. F., editor. *Vocations for the trained woman; opportunities other than teaching; introductory papers.* (New York: Longmans. 1914. Pp. 305. 60c.)
- PERRY, C. A. *How to start social centers.* (New York: Russell Sage Foundation. 1913. Pp. 40. 10c.)
- WANINGER, K. *Der soziale Katholizismus in England.* (M.-Gladbach: Volksvereins-Verlag. 1914. Pp. 139. 1.85 M.)

This monograph is one of a series published by the Verein für das katholische Deutschland. It presents a brief account of the development of a program of social reform by English Roman Catholic clerical and lay leaders and a summary of the activities and guiding principles of the English Catholics organized for the betterment of industrial and social conditions by unified voluntary effort and legal enactment. The historical account occupies two thirds of the monograph. Considerable attention is paid to the influence exerted by the Oxford movement in its reaction against individualism in industrial as well as in religious matters and its harking back to the pre-Reformation emphasis upon moral obligations in economic relations. The teachings and work of Cardinal Manning are also given relatively extended treatment. The principles laid down by the leaders of the present movement, among whom the late C. S. Devas held a prominent place, are briefly summarized and their program is given in outline; it includes the encouragement of trade unions organized by trades and industries and not divided according to religious affiliation; also collective bargaining, and the establishment of minimum wage rates and the maximum work day by law. Of the various organizations described, the fullest treatment is given that created by the movement, the Catholic Social Guild, which was established in 1909 for the publication and distribution of social reform literature and the promotion of the study of the social sciences. The monograph contains a bibliography and is well indexed.

DAVID A. MCCABE.

- WHITE, B. *The carpenter and the rich man.* (New York: Doubleday, Page. 1914. Pp. viii, 339. \$1.25.)

A companion book to *The Call of the Carpenter*. A study of the parables, in which the economic life of the time is the constant background.

The Catholic social year book for 1914. (London: Catholic Social Guild. 1914. 1s. 6d.)

The industrial unrest and the living wage. (London: King. 1913. Pp. 182. 2s.)

This volume contains addresses given at the United Summer School held during the summer of 1913 at Swanwick, Derbyshire, England, under the auspices of the Interdenominational Social Service Unions. Of special interest are "The Standard of Life," by Professor E. J. Urwick; "The Right to a Living Wage," by Professor L. T. Hobhouse; and a summary of unfavorable aspects of minimum wage legislation in Australasia, by Miss M. T. Rankin. The five addresses by clergymen are characterized by their emphasis upon the method of approach to social problems through appeal to the individual and by their insistence upon the supremacy of the spiritual and the relatively greater importance of the life beyond the grave. The book is valuable for its expression of varied points of view. The purpose for which the addresses were prepared prevented adequate treatment of a number of the topics.

PAUL L. VOGT.

Year book of the United States Brewers Association. (New York: The Association. 1914. Pp. xiv, 311.)

Insurance and Pensions

Social Insurance. With Special Reference to American Conditions. By I. M. RUBINOW. (New York: Henry Holt and Company. 1913. Pp. vii, 525. \$3.00.)

Mr. Rubinow has written a volume which is timely, large in range, and thoughtful. It "grew out of a course of fifteen lectures given at the New York School of Philanthropy in the spring of 1912," the supposed priority of which, however, as an American university course, is to be questioned. Three introductory chapters are followed by ampler discussions of insurance against industrial accidents, sickness, old age (with invalidity and death), and unemployment. The method in each part is to explain conditions and causes, then to examine foreign experience in mutual, voluntary, subsidized, and compulsory insurance institutions, arriving at a preference for the last type, and finally to show why or how the type needs to be set up in America. The book is not an impartial treatise; to write such it would be "futile to try"; it is a "bit of propaganda," yet persons whose premises are different will find only some discussions in the book vitiated.

Its clear excellence is in its actuarial discussions. There Mr. Rubinow is on professional ground. He sets forth his arguments with unusual lucidity and simplicity. His grasp is revealed both

in his criticisms and in his constructive recommendations. Another valuable trait is a ready comparison of significant features of the many social insurance institutions of various countries.

The chapters on employer's liability, on the elements of a normal compensation law, and on the organization of accident insurance are compact and forceful. Less acceptable are those on conditions and causes. For example, one naïve conclusion (ch. 5), supported by a table of injury rates of different industries, is that accidents (= uncaused events?) do not exist! This irrelevant statement is luckily forgotten in ensuing discussions of unavoidable hazard. Increase in number of accidents credited to inattention "spells one word, 'speed'"; presently also, fatigue, which is partly different. The high Monday rate of accidents in European statistics Mr. Rubinow prefers not to explain by Sunday indulgences, but by changes of occupation. Must not a more regular cause be sought? Germans say much of the resumptive operations of Monday. Mr. Rubinow is with those who believe that wage rates make no account of danger in an occupation. It has never, he says, "been statistically established that there is any correspondence between the comparative risk of an occupation and its remuneration, such as there undoubtedly is between remuneration and skill" (p. 100; cf. also p. 132). But can statistics be refined to isolate the danger factor? To concede that most men prefer the less dangerous tasks, other things equal, is to concede that danger makes a difference. If there were no risk, would wages be so high? Such a force as immigration may make for low wages in mining, while danger, less potently, may make for higher wages.

It is a clear history and an acute criticism of American compensation laws that Mr. Rubinow gives. To one point, since it is raised, exception may be taken. The American movement is dated from the Bureau of Labor description of German social insurance, in 1893. That is, "government institutions, and not the academic economists, who were deep in economic theory" (p. 156) began it. But Professor Taussig published his translation of the same laws in 1887.

Mr. Rubinow's chapters on sickness reveal again his strength and his weakness. He characteristically says little of personal causes and much about the responsibility of society. Partly one may agree, partly disagree. He believes, for example, that canning and cold storage deteriorate the food supply (p. 208). Does he appreciate that they have given to winter diet a scope and variety

not known before? Machinery, he thinks, displaces skilled workmen by unskilled (p. 210). Apart, however, from devices to utilize the unskilled immigrant influx, it is far from clear that the tendency is stronger than its opposite. The sexual life is disturbed by late marriages; these are due largely to "the growing inadequacy of wages," in which the factors are rising prices and rising standard of life (p. 211). Ignorance disposes to disease, but education is a social function (p. 213). Of the human or individual factor little is left. The state clearly may go wrong, but the individual's mis-expenditures and indulgences only reveal him to be a victim of the state. The state, as it happens, is—all of us. And if all of us are to blame—but that is anticipating! That "the problem of sickness relief and of sickness is a national and not an individual problem," is bluntly stated (p. 245).

In these chapters again, the analysis of institutions is in the main good. Some errors of fact deserve note. The British friendly societies may not discriminate against applicants by reason of advanced age (p. 255). Sick-insurance of domestic servants in Germany, though accepted in the law, has met difficulties in enforcement (p. 256). Salaried administrative employees earning 2,500 marks, not 2,000, are excluded in Germany (p. 257). The Swiss law is held to be original in providing for non-occupational accidents (p. 266). But the German, French, and English invalidity provisions likewise dealt with the consequences of these. It is not the case that in Germany all benefits for industrial accidents are paid by the sick-funds for thirteen weeks; from the fifth to the thirteenth week, the mutual associations pay part, and where the workman is not in a sick-fund (a common thing in the past) the employer pays all (p. 267, cf. 268).

Old age, like sickness, is held to be a social problem. Mr. Rubinow is not anxious that workmen should save. Where others see education and discipline in thrift, he is led to speak of the "depressing effect of the saving habit upon the standard of life" (p. 313), and elsewhere he discountenances the practice. As he believes in compulsory sickness insurance, so he believes in compulsory old-age insurance. Why? Workmen are destitute in old age. So much is simple, but might mean only a demand for humanitarian charity. "Service," length of productive activity is another reason (p. 386). But then classes above wage-earners should be included. Elsewhere, however, the Austrian law of 1906

providing pensions for salaried employees is almost passed over as "outside social insurance" (p. 346). Or, workmen are "unable or unwilling" to act of themselves. But these alternatives, upon which the character of legal provisions must depend, Mr. Rubinow does not separate. If workmen earning \$6 a day are unable, are those also who earn \$8, \$10, \$15? If the scheme is to be subsidized, in what ratio? Mr. Rubinow does not make clear; ideally, we may suppose, the social causes of old age should measure the social burden. Sometimes the language of "deferred wages" is used, but it throws little light on the attempt to relate cause and burden. In the United States, Mr. Rubinow thinks the opportunity for old-age pensions will come with the inevitable decline of the war-pension appropriations.

Unemployment has been well handled in English books. Mr. Rubinow's chapters cite liberally from Beveridge, and also from the admirable monograph of Gibbon (who is uniformly miscited as J. G. Gibbon). How far, and on what basis insurance should be subsidized are again questions obscurely handled. An echo of earlier chapters is in the position that unemployment is not, or is only slightly, figured in wages (p. 452). As a matter of fact, where the entire social insurance burden is equivalent to only a slight percentage of wages, and where wages vary greatly, who shall say that it is not contained in the rate of wages established by competition?

The material in the final chapter of the book, *The Social Import of Social Insurance*, is vital, but insufficient and inconclusive. The vexed question of the basis of the state's subsidy gets a partial answer: it is a substitute for earnings inequitably withheld under the capitalistic system (p. 481). We are still not told what should be the basis of the workman's share. Social insurance gives relief in destitution (p. 481). So do charity and the poor law. But the purpose of these is "to grant the necessary minimum for a physiological existence, and that only." Would modern charitable institutions accept this formulation? Yet it is contrasted with the "ideal purpose" of social insurance, which is constructive interference, prevention, and not even with actual insurance, which the author admits to be often as inadequate as poor relief. I confess to not seeing why, with Mr. Rubinow's argument, the best arrangement would not be a kind of glorified destitution relief system, much simpler than insurance, dealing with all the social causes of destitution. Relief has been degrading, he urges. It is not

essentially so, and need be no more so than the community desires.

The final chapter briefly answers the Friedensburg attack upon insurance, but does nothing with the much abler presentation by Bernhard (p. 495). The latter has created a much greater stir in Germany than Friedensburg. The question of the influence of the insurance system on the family is rather summarily dismissed. So also is the question of a state machine as instrument of the servile state, against which in late times opposition has been so extensively spreading in England. The incidence of the financial burden of insurance is not clear.

I hope this emphasis upon shortcomings may not obscure the impression that Mr. Rubinow's virtues make his work decidedly useful. With his recommendations I am in frequent accord. But his eagerness to support them, his candidly admitted bias, must check acceptance of them by many. Finally, in the absence of a pure-advertising law, Mr. Rubinow's publishers deserve a word of censure for advertising as "treated exhaustively and authoritatively for the first time in English" the various topics of the book. There exist ampler and good discussions of many subjects that seek impartiality where Mr. Rubinow—not perhaps to his discredit—confesses to pleading.

ROBERT F. FOERSTER.

Harvard University.

Die Reichsarbeitslosenversicherung. By KARL KUMPMANN. (Tübingen: J. C. B. Mohr. 1913. Pp. viii, 150. 3 M.)

The author of this interesting study disavows any intention of attempting to solve the difficult questions connected with unemployment insurance. He endeavors to bring together views of what has been done and to discuss the arguments for and against the plans which have been pursued. He recognizes the difficulty of applying the insurance principle to unemployment on account of the incalculable factors which enter into the risk. The four divisions of the book deal respectively with the problem of unemployment, the control of unemployment, unemployment insurance, and the necessity of government unemployment insurance.

The causes of unemployment are considered as either subjective or objective. The former includes such cases as inability to work and unwillingness to work; the latter, inability to find work and absence of work. The author admits there is great difficulty in distinguishing these two causes in particular cases, but holds that

unemployment insurance should apply only to the objective causes, the subjective causes being provided for in other manner, as, for example, by charitable and reformatory institutions of the state.

He also holds that no plan of unemployment insurance can be successful unless labor employment bureaus are organized in connection with it. These should be municipal, provincial, and federal, each correlated into a unity of organized administration. The labor organizations should be encouraged to do what they can to prevent unemployment of their members, by encouraging individual saving and by mutual aid in supporting and in finding work for their members. The cost of unemployment insurance should be borne by the employee, the employer, and the state.

In this connection it may be pointed out that not a few results of plans of social insurance in various countries tend to show that a mistake has been made in not requiring the insured to bear a part of the cost of the insurance. The author rightly argues that the workman must be regarded as a citizen and a human being with all the responsibilities which this implies. Workmen should be located in a community and become a part of it, for a floating population is dangerous to community well-being. Each worker should have a chance to work, and the state should endeavor to make the work and position as permanent as possible.

The author states that the common arguments against unemployment insurance are: (a) that it is too socialistic; (b) that it is a means of securing support for a political party; (c) that it is not ethical. He meets each of these arguments, showing first that it is not essentially socialistic, but only a means of securing social benefit by encouraging great social efficiency of a social class; second, that while it may have been used to secure political support, yet the more fundamental well-being will be furthered and that such insurance can only be provided by coöperation on the part of all under government direction; third, that no necessary undermining of the desirable characteristics of individualism need result, but that, on the contrary, a higher type of individualism should result.

The book is a valuable addition to the literature of the subject and is unusually free from the exaggerated claims and estimates of much of the literature on unemployment insurance.

W. F. GEPHART.

Washington University.

NEW BOOKS

- BARNETT, S. *The statements of a life insurance company, including the gain and loss exhibit.* (Atlanta, Ga.: Samuel Barnett. 1913. Pp. 57. \$3.50.)
- BEHRENS, F. *Die deutsche Volksversicherung.* (Berlin: Vaterländische Verlags- und Kunstanstalt. 1914. Pp. 36. 0.80 M.)
- DOMIZLAFF, K. *Die Feuerversicherung.* Versicherungs-Bibliothek, 2. (Berlin: Mittler. 1914. Pp. ix, 185. 4 M.)
- GLEIZE, H. *Application de la loi sur les retraites ouvrières et paysannes.* (Privas: Volle. 1914. Pp. 115. 4.50 fr.)
- JOHNSON, W. *Das Versicherungswesen.* (Leipzig: A. T. Engelhardt. 1913. Pp. 93. 0.60 M.)
- KOBURGER, J. *Versicherungsbuchführung.* Versicherungs-Bibliothek, 1. (Berlin: Mittler. 1914. Pp. x, 135. 4 M.)
- KREBBER, T. *Die deutsche Sozialversicherung. Ihre Erfolge und ihre Gegner.* (Cöln: Christlicher Gewerkschafts-Verlag. 1913. Pp. 72. 0.50 M.)
- POHL, K. *Die Anfänge des deutschen Lebensversicherungswesens.* (Berlin: Puttkammer und Mühlbrecht. 1913. Pp. x, 102. 3 M.)
- VERMOREL, V. *L'assurance contre la grêle.* (Paris: Libr. Agricole. 1914. 0.30 fr.)
- WILLIAMS, T. H. *The fire insurance contract, with legal decisions.* (San Francisco: Underwriters' Report. 1913. Pp. 102. \$1.50.)
- Lois russes d'assurance ouvrière.* (Paris: Dunot & Pinat. 1914. Pp. 98. 6 fr.)
- Untersuchungen über das Versicherungswesen in Deutschland.* Schriften des Vereins für Sozialpolitik, 137, part 4. (Munich: Duncker & Humblot. 1913. Pp. v, 362. 9 M.)
- Versicherung und Krieg.* Veröffentlichungen des Deutschen Vereins für Versicherungs-Wissenschaft, XXVI. (Berlin: Ernst Siegfried Mittler. 1914. Pp. 133.)
- This work consists of eight lectures given at a recent convention of the German association for insurance science; they treat of various phases of the relationship of insurance and war. As shown by the phenomena attending the Morocco crisis and the Balkan wars, insurance companies exercise great power in steadying the money market. They are not so easily affected by psychological influences and do not join to any large extent in a general selling of securities. The strains which insurance must be prepared to stand in a period of financial disturbance immediately preceding or following the outbreak of war are due to the withdrawal of cash values and a falling off in receipts. At the time of the Franco-Prussian war the withdrawals increased from about 3 per cent of the receipts to about 10 per cent. Interesting statistics are given in regard to the five

kinds of liquid assets which insurance companies have available—cash, credit balances, foreign exchange, credit loans, and high grade securities. Government securities of small neutral countries stand higher than those of great military powers. German 3 per cents at 82 compare with Belgian 3 per cents at 96, Russian 3.5 per cents at 81 with Norwegian at 102. One reason is because the securities of smaller countries, being limited in amount, are greatly in demand by insurance companies as well as other investors on account of their greater safety.

One of the essays points out how far international law has lagged behind the actual practice of insurance companies. Although it would be illegal for an English or American insurance company to pay the claim of a German policy holder during a war between Germany and either of these two countries, since by English and American international law war suspends all contracts between the subjects of the warring states, nevertheless insurance companies would probably pay these claims in order to maintain the confidence of their foreign policy holders and to save their foreign deposits from seizure. Lloyd's has found it necessary to declare repeatedly that insurance contracts of foreign policy holders would be honorably fulfilled irrespective of the requirements of English law.

An interesting field for research is touched upon in "Transportation Insurance and War." There is an increasing tendency to distribute risks internationally, which may be interpreted as a part of the general progress of the economic interdependence of nations, by which war is becoming economically a losing venture for the victorious nation as well as for the vanquished.

GEORGE W. NASMYTH.

Socialism and Co-operative Enterprises

NEW BOOKS

BARNARD, W. G. *Regulation*. (Seattle: Regulation Pub. Co. 1913. Pp. 124. \$1.)

This little book presents a plan which the author believes will "solve all the problems of the time." It is proposed, first, to nationalize all land, giving to each landowner an eighty-year lease in exchange for his title; second, to establish a "multiple unit money system"; and, finally, to elect national and district land boards, money boards, wage boards, and profit boards, which shall regulate every phase of our economic life, giving to every one his natural and proper share of the social income.

G. L. A.

DOMACK, H. *Der Genossenschaftssozialismus*. (Leipzig: Ernst Möhring. 1913. Pp. 127.)

GUYOT, E. *Le socialisme et l'évolution de l'Angleterre contemporaine (1880-1911)*. (Paris: Alcan. 1913. Pp. 543. 7 fr.)

This is an exceedingly valuable work, written by a scholar whose studies of the economic life of modern England have been exhaustive.

His aim in this book is to present a study of the economic and social life of England since 1880, giving particular attention to the development of socialist tendencies. The attitude of the author toward socialism is sympathetic, but he is careful to avoid such partisanship as would detract from the scientific value of the work.

The study is divided into four parts entitled respectively: *l'Action des Producteurs*, *l'Action des Consommateurs*, *l'Action de la Collectivité*, and *l'Action des Idées*. In the first chapter there is an excellent discussion of the phenomena of industrial combination and monopoly in England with numerous references to American conditions. Concentration in control of capital is carefully distinguished from concentration in ownership. Then follows a chapter on labor combinations, in which the author relies very largely although not exclusively on the work of the Webbs. The growth of socialist sentiment within the unions, and the recent influence of syndicalist ideas are carefully noted and analyzed. The discussion of the Labour party is especially good. The treatment is chiefly historical, but closes with a review of the aims, achievements, and tendencies of the political organization of labor. Part second is devoted to the coöperative movement. It appears to the author that coöperation in England is a triumph of the instinctive tendencies of the English people. Their point of departure is always individualistic but in the end they become practically socialistic. In the third part the tendencies toward state socialism within the Liberal party are carefully analyzed. Radical legislation by Parliament and the rapid extension of municipal ownership are indications of the trend toward the socialist ideal. A separate chapter is given to the agrarian problem and to the Lloyd-George budget. The author concludes that the concentration of capital, the industrial and political combination of the workers, coöperation, public ownership, and the new forms of taxation indicate that socialism is approaching realization in England.

In part IV a chapter is given to each of three writers who have vitally influenced English thought within the past thirty years: Morris, Shaw, and Wells. The socialist theory of each is admirably presented in essay form.

GEORGE LOUIS ARNER.

GUYOT, Y. *Where and why public ownership has failed*. Translated from the French by H. F. BAKER. (New York: Macmillan. 1914. Pp. ix, 459. \$1.50.)

HUGHAN, J. W. *The facts of socialism*. (New York: Lane. 1913. Pp. 175. 75c.)

This summary of the facts of socialism has been written to supplement the deficiencies of college courses on this subject and to present to non-collegians the data as to the socialist movement in the United States; its relations to Marx, labor unionism, the family, the church, and the state; its ultimate program; its immediate platform; its leaders, organization, and present policy. At the close of each chapter is an excellent list of suggested references and a number of well-chosen topics for reports and discussion.

Like many other writers on this subject the author sees only the darker side of industrial life. No credit is given for progress in control of child labor, prostitution, disease, unemployment, or other evidences of maladjustment. Much of the discussion, particularly of the historical phases, is too brief to be of value except as a guide to reading in the selected references. The chapters on the theoretical foundations and the goal of socialism present good summaries of the principal economic theories of socialism and of present tendencies in industrial life.

The book will probably be of more value to the general reader who wishes a guide for his own private study than to the college student.

PAUL L. VOGT.

HIGGS, R. *The heart of the social problem*. (London: Stead. 1914. 2s. 6d.)

POISSON, E. *La coopération nouvelle*. Les documents du socialisme, XII. (Paris: Rivière. 1913. Pp. 65. 0.75 fr.)

The author is general secretary of the Fédération Nationale des Coopératives, the organization of French coöperative societies attached to the Socialist party. The book was occasioned by the recent pact drawn up for the union of the general socialist and non-socialist coöperative organizations. The argument is directed toward recalcitrant socialists and in the interest of the union. It runs in brief: cooperation is at a crisis because it has fallen behind in technical development; it can secure the conditions necessary for success only by general integration, socialistic in character; all coöperation is, however, essentially proletarian; therefore the union is not a retrograde movement on the part of the socialists.

R. F. H.

PRICE, L. L. *Coöperation and co-partnership*. The nation's library, 8. (London: Collins. 1914. Pp. 264. 1s.)

SCHACHNER, R. *Märkte und Markthallen für Lebensmittel*. (Berlin: Göschen. 1914. 0.90 M.)

VANDERVELDE, E. *La coopération neutre et la coopération socialiste*. (Paris: Alcan. 1913. Pp. 228. 3.50 fr.)

VULLIAMY, C. E. *Charles Kingsley and christian socialism*. Fabian tract, 174. (London: Fabian Soc. 1914. Pp. 27.)

Report of profit-sharing and labour co-partnership abroad. Cd. 7283. (London: Board of Trade; Dept. of Labour Statistics. 1914. Pp. x, 164.)

This supplements the report which was made on profit-sharing in the United Kingdom published in 1912 (Cd. 6496). It is based in part on information collected by diplomatic officers. The report on France is largely based on the publications of M. Trombert, and that of Germany on the writings of Professor Böhmert. For the United States, first-hand information was supplied by firms which have adopted the method. Altogether this makes the most complete recent source of information for this country. Reports were received from about 30 different firms.

Annuaire du mouvement coopératif international, 2^e année, 1912.
Publié au nom du comité central de l'alliance coopérative interna-
tionale. (Paris: Alcan. 1914. Pp. vi, 299. 5 fr.)

Statistics and Its Methods

Exercises in Statistical Method. By WILLFORD ISBELL KING.
(Madison: The University Co-operative Association. 1913.
Pp. 49. \$.40.)

Lectures cannot give to the ordinary student a working knowledge of the principles and methods of statistics; practice in handling data is necessary. In the natural sciences the laboratory method has long been recognized as essential. In these subjects the student is not regarded as a trained scientist until he has traced out the nervous system, or analyzed compounds, or experimented with the force of gravitation. The would-be statistician must learn the limitations of his original material at the sources, and how reliable data may be secured; he must learn to think in quantitative terms; he must be trained to use with caution and accuracy the data when gathered, and to present the results in clear and simple fashion.

Professor Walter F. Willcox, at the International Congress of Hygiene and Demography held at Washington in 1912, expressed his belief that the best opportunity for the training of statisticians lies not with the universities alone or with special schools of sanitary science, but with official statistical offices which constitute the best laboratory for practice work. He, therefore, advocated closer coöperation between academic instruction in statistics and official offices. In this manner the late Carroll D. Wright developed a group of American labor statisticians; William Farr trained men in England; and Ernst Engel in Russia.

However, with the present leadership in official positions this co-operation has not been widely established. For the present, therefore, it is desirable to provide laboratory training in connection with lecture courses in statistics in our colleges and universities. Nothing will accomplish so much toward removing the current notion that statistics are dry and uninteresting facts used in haphazard manner to prove or disprove any sort of proposition. In the laboratory may be assembled the results of all sorts of investigations, with the original schedules from which tabulations have been made and conclusions drawn. Here the student may learn the importance of a wide preliminary study of the problem to be

investigated, the fundamental principles of planning an inquiry, and the methods of analyzing and relating the facts. Here may be gathered the important sources of information for research and criticism. The statistical laboratory is not a place for mere mechanical processes. These may be performed by machines, for the most part. It is a place for the exercise of the highest intellectual processes and for the development of the best critical judgment and common sense. The speculations of reason are being checked and modified in the light of existing facts.

Dr. King, instructor in statistics at the University of Wisconsin, author of the text, *Elements of Statistical Method*, has recently published this pamphlet containing 24 exercises suitable for laboratory training, designed for the use of teachers of statistics, in conjunction with his text. Convenient section references to the text are found with each laboratory exercise which is designed to give practice as to that particular principle or method. The author assures us that a majority of the exercises have been used by him in class work for several years, thus giving opportunity to eliminate defects and to test their adequacy for the purpose for which they have been planned. Every teacher of elementary statistics knows how important it is to select appropriate problems for the purpose of aiding the students' understanding and at the same time with the aim to avoid confusion. This exercise book will prove suggestive. It does not follow that the instructor will use each problem in the manual or even a majority of them, because he must work out his own material, to a large extent, if he successfully meets the needs and interests of his students. Besides, his own interests will dictate, largely, the sources from which his material may profitably be drawn for practice work. In this manner both instructor and students feel that they are making statistics an instrument in their work. Such a complete set of exercises, for the overburdened teacher, will prove a convenient refuge. For every instructor, the manual will indicate the method of procedure in a logical and effective presentation of necessary methods and principles in concrete form.

The exercises begin with the collection of data and the tabulation of the results. Methods of analysis and reduction of the raw material involve practice in the use of the various averages; construction of frequency graphs and the calculation of measures of dispersion about the average; construction of price indices and graphic devices; methods of showing long- and short-time changes;

and illustration of the meaning of correlation, together with the measurement of the degree of relationship.

ROBERT E. CHADDOCK.

Columbia University.

Statistical Averages. A Methodological Study. Authorized translation from the German of FRANZ ZIZEK by WARREN M. PERSONS. (New York: Henry Holt and Company. 1913. Pp. ix, 392. \$2.50.)

Dr. Zizek's *Die statistischen Mittelwerte*, published in 1908, is a study of abstract statistical method as applied to "the great central problem of averages." It is not a book which embodies experience of practical statistics. It does not, save for illustrative purposes, deal with the concrete subject-matter of any branch of statistical investigation. In substance it is a critical compilation from the many-sided literature of theoretical statistics, in which the author assiduously versed himself. It links the fundamental concepts of "mathematical statistics" with more familiar principles, though it avoids mathematical language. Dr. Zizek pretends to no authority as a mathematician; but he properly "deems some consideration of mathematical statistics indispensable because its problems do not differ essentially from those of elementary scientific statistics."

The treatment of the subject falls into three parts. Part I, on *Statistical Averages in General*, offers a preliminary classification of statistical series; discusses the criteria of data from which valid averages may be derived; and outlines the nature and purposes of averages. Part II is devoted to *The Various Kinds of Averages*—the arithmetic mean, the geometric mean, the median and the mode—but includes, under the rubric "The Arithmetic Mean and Mathematical Statistics," a section on statistical applications of the laws of error and of probability. Part III treats of *Dispersion about the Mean or Average*, and thus eventually leads the reader again into the domain of the mathematical statistician. A group of appendices deals with special topics and includes a useful bibliography.

Professor Persons offers his translation as a college text. The German original had seemed to him "to meet the requirements of a non-mathematical textbook on statistics better than any work available in English. . . ." The reader, therefore, is led to judge the book according to its fitness for such use, realizing how warm a

welcome awaits any really satisfactory statistical manual in our own language. And he will find in the present volume many merits. First of all, Dr. Zizek's concentration of attention upon averages undeniably gives a helpful unity to the main principles which he presents, and increases the significance of the more subordinate principles by its implication of their interrelations. His discussion of isolated averages as contrasted with averages based on a series of definite items is suggestively worked out. He lays commendable stress on the interpretation of dispersion and on the typical or the non-typical quality of means. In consequence his book goes considerably beyond the ordinary textbook in showing how the scientific use of averages reveals apparent laws behind the empirical evidence of collective phenomena. The hackneyed theme of statistical regularity versus free will is intelligently developed. The chapter on the median is a useful reference. There is an interesting passage on the importance of homogeneity of material in comparisons of averages.

Throughout the book apt though scattering examples fill the interstices of the theoretical outline; and the citations of sources and authorities introduce the reader to a wide literature. And yet, as the translator agrees, the complete lack of tangible illustrative material in the form of tables, charts, etc., is a serious defect. Even the verbal illustrations which are so profusely used are commonly too slight to challenge the reader's original thought. This is the more unfortunate since the book is forbiddingly abstract and monotonous. Its formal scheme, moreover, is by no means always convincing. The threefold classification of series, enunciated at the outset (and dulled in translation), seems overdriven and pedantic at many points. Indeed, speaking generally, the exposition is not successful. Essentially a digest of other writings, the work lacks individuality. Its style, at least in the English rendering, is wanting in the vigor and marching movement which may and should vivify even statistical treatises. Some of its generalizations are almost meaningless apart from the concrete examples hurried to their relief. The discussion here and there strays to fields where the reader without previous knowledge could hardly follow. Yet many important phases of statistics are untouched. Thus the book almost wholly ignores the technique of collecting statistical data and presenting statistical results. These and other branches of study would have to be separately provided for in rounding out a college course.

Finally, a good many inaccuracies and infelicities of detail might be pointed out. But the book is not to be judged by its slips. On the whole it is a useful recruit for the reference-shelf. One finds difficulty in believing that it will commend itself as a general text for beginners.

JAMES A. FIELD.

The University of Chicago.

Financing the Wage-Earner's Family. A Survey of the Facts Bearing on Income and Expenditures in the Families of American Wage-Earners. By SCOTT NEARING. (New York: B. W. Huebsch. 1913. Pp. 171. \$1.25.)

Two problems of surpassing interest are proposed by Dr. Nearing when it is asked, "What amount of money wage is required to purchase the housing, food, clothing, fuel and other items of normal family consumption?" and "What relation at present exists between income and expenditure?"

After it has been shown that, although unemployment from various causes may reduce income to zero, the maximum earnings of the American workingman are rigidly fixed by the limitations of his occupation, there is presented the task of defining a standard of living in terms, first of goods and then of money. To this end, the author accepts the estimates for the "minimum" and "fair" standards in the *Report on the Condition of Woman and Child Wage-Earners in the United States*.¹ Very properly deprecating the minimum money standard on the ground that only a woman of superhuman ability could finance a family on so small a sum, Dr. Nearing concludes that "the available data indicate that a man, wife, and three children under fourteen cannot maintain a fair standard of living in the industrial towns of eastern United States on an amount less than \$700² a year in the southern, and \$750 a year in the northern, states. In the large cities, where rents are higher, this amount must be increased by at least \$100" (p. 97).

The writer, in attacking his second problem, makes use of the results of his study of *Wages in the United States*, namely that "in the district lying east of the Rocky Mountains and north of the Maryland (!) and Dixon Line, half of the adult males in the United States are earning less than \$500 a year; that three fourths

¹ Vol. 16, p. 133 *et seq.* and p. 233 *et seq.*

² \$600 (?) See p. 91.

of them are earning less than \$600 annually; that nine tenths of them are receiving less than \$800 a year; while less than ten per cent are receiving more than that figure" (p. 106). From these two premises as to the cost of living and the distribution of wages it follows that "three fourths of the wage-earners in small towns, and nine tenths of the wage-earners in large cities are unable to provide a fair or efficiency standard for a normal family" (p. 107). Since the compensation of women and children is very small, but little encouragement can be found in the fact that many of them contribute to the household purse.

The book closes with an appeal for further investigations, particularly of local costs and standards. There is an appendix of interesting extracts from Mrs. More's *Wage-Earners' Budgets*, and from the *Report on the Condition of Woman and Child Wage-Earners in the United States* (vol. 16).

In a book so full of figures, absolute accuracy is hardly to be expected, yet one is rather startled to find the cost of maintaining a "fair standard" in Georgia and North Carolina set at \$600.74 on page 91, \$708.87 in a table on page 96, and, presumably, \$600 on page 107. The results of four apparently independent errors in arithmetic contribute to the mistake on page 96, yet the discrepancy of \$100 is calmly incorporated in the text (p. 97). Again, the cost of a "fair standard" of living in Fall River is given as \$731.90 on page 93, \$745.35 in the table on page 96, and \$690.95 on page 118. The author expressly states that the \$731.90 relates to English, Irish, and French Canadians; and then, without warning the reader of the change, he adopts the standard set by the Federal Bureau of Labor for the Portuguese, Poles, and Italians, \$690.95.³ These errors may be mere slips of the pen, but there is one unmistakable mathematical blunder in the incidental use of the theory of probability (p. 14). If, each year he is at work, a railway trainman has "one chance in twenty of being injured," the chance that he will be injured at least once in a period of twenty years of service is not "one to one," whatever that may mean to the author, but approximately two in three (0.6426).

Waiving these somewhat petty matters of mathematics, the main argument is particularly weak at two points. First, let it be assumed, for instance, that one half of the adult males are em-

³ *Op. cit.*, vol. 16, p. 245.

employed at wage rates of less than \$600 per year, and that they are unemployed on the average one fifth of the time; the inference is by no means demanded that one half of the adult males are paid wages of less than \$500 per annum. The fallacy of this argument lies in an incorrect assumption. Suppose that ten men are paid \$12 per week. If each of them is idle eleven weeks, each will earn less than \$500 in the year. If, on the other hand, five are out of work six weeks, and five are unemployed sixteen weeks each, the average idleness is still eleven weeks, but only half the men earn under \$500. Dr. Nearing seems to believe that practically every man who earns \$12 per week, will be idle at least eleven weeks. How far this supposition is from the truth is difficult to say; but it is probable that not more than a sixth of the industrial workers are unemployed as much as eleven weeks in a given year.⁴ This assumption plays a prominent part in Dr. Nearing's reasoning (pp. 104-106, 110, 118).

Second, if the validity of these wage calculations be granted, in the statement that, "since a fair or an efficiency standard for a normal family involves an outlay of from \$600 in a small industrial town to \$900 in a large city, three fourths of the wage-earners in small towns and nine tenths of the wage-earners in large cities are unable to provide a fair or efficiency standard for a normal family," (pp. 106-107) there is a clear *non-sequitur*. Before this conclusion can be accepted, it must be demonstrated that wages are no higher in large cities than in small industrial towns. The British Board of Trade found that, "with one exception the index numbers (of wages) for skilled men fall in unbroken sequence with the size of the population group, while those for unskilled men are irregular."⁵

The vital point in the discussion of the contributions of women and children to household incomes is all but ignored. It is not very enlightening to conclude that *on the average* "four fifths of the family income is contributed by the husband." What must be determined for a comparison of family receipts with the cost of living is whether the individual wage-earning women and children are members of the households of the low-paid men, and whether their contributions raise the total incomes of these families to the efficiency standard.

Paucity of data seems at present to make futile any attempt to

⁴ See *Eighteenth Annual Report of the Commission of Labor*, p. 290 and also *Twelfth Census, Occupations*, pp. ccxxvi and ccxxxv.

⁵ Sen. Doc. No. 22, 62 Cong., 1 Sess., vol. 4, p. xix.

determine scientifically the existing relations between family incomes and the cost of living. However, impossible as it is to accept Dr. Nearing's reasoning, it is necessary to grant his main contention, that an extremely large proportion of American families are unable to live on a reasonably satisfactory plane. The book possesses the additional value of serving to popularize the results of some of the most recent careful budgetary investigation.

FRANK H. STREIGHTOFF.

De Pauw University.

Statistics. By ROBERT GIFFIN. Edited by HENRY HIGGS and GEORGE UDNY YULE. (London: Macmillan and Co., Limited. 1913. Pp. vii, 485. \$3.00.)

This book, written during the years immediately following the author's retirement from public service in 1897, and edited and published posthumously, considers neither the nature, history nor the methodology of statistics. For that reason it cannot be considered a handbook on statistics, although so planned by the author. The privilege of old age to write intermittently, leisurely, and with disregard of preconceived plan destined this work to become rather the systematic observations on the statistics of various phases of social life of a man grown wise in matters of statistics. The data used for illustration are few and obsolete for present-day readers, but the wisdom directing the observations concerning the data can never become obsolete. The reviewer agrees with the editors that this volume, "when it has ceased to be reckoned among the Literature of Knowledge will still remain among the Literature of Power."

The volume considers, according to a plan more or less precisely followed in the respective chapters, the statistics of the following phases of social life: area and population; births, deaths, marriages, emigration and immigration; imports, exports, and shipping; agriculture; mining; fishing; manufacturing; railroads; other public service businesses; finance; money markets; prices and wages; wealth; justice; pauperism; education; accidents and insurance. The final chapter discusses methods of constructing tables, while the introductory chapter presents the author's plan of analysis of the statistics of each subject considered.

This plan, not closely followed, is to make the following enquiries concerning each subject: the objects for which statistics of the subject are intended; description of data and how obtained;

methods of compilation and attendant dangers; principal facts established and resultant controversies and questions.

H. S. PERSON.

Amos Tuck School.

Variabilità e Mutabilità. By CORRADO GINI. (Bologna: P. Cuppini. 1912. Pp. 156.)

Die statistische Methode als selbständige Wissenschaft. By HUGO FORCHER. (Leipzig: Verlag von Veit & Comp. 1913. Pp. vi, 365. 10 M.)

Gini's monograph carries the subtitle, *Contributo allo studio delle distribuzioni e delle relazioni statistiche*; and is designated as Fascicolo 1° containing *Introduzione* (15 pp.), *Indici di variabilità* (94 pp.), *Indici di mutabilità* (40 pp.). It is understood that Fascicolo 2° containing *Indici di relazione* is in preparation. As these titles indicate, the work deals not with means of certain observations, but with their mean dispersion. There are a large number of formulas which develop the theory of various means applicable to estimating the dispersion; the only mathematics needed is, however, algebra. The author gives illustrations of his work to a number of social phenomena. This increases the interest and diminishes the difficulty of the monograph. The fundamental division between variability and mutability corresponds to the difference between quantitative and qualitative phenomena. In the former, the observations themselves, being numerical, furnish differences which may be averaged; in the latter, it is necessary to arrange the observations in successive classes, each qualitatively homogeneous, and to number the classes consecutively, thus obtaining an artificial quantitative display. In addition to the applications which the author gives he cites others which have already appeared.

Forcher's book is a systematic treatise on elementary statistical theory. The start is made with pure mathematics—geometrical representation, differentiation, integration (52 pp.). The work is too condensed to give to an elementary student, even if mature, except as a review. The author next develops in detail, and in much the ordinary way, the theory of probability and the theory of errors (112 pp.). The third part (136 pp.) deals with statistical method chiefly in cases where the events or observations are so numerous and regular that the methods of the calculus (continuous distribution) are applicable. For the most part the illustra-

tions are such as might interest a life insurance actuary, but there is nothing that may properly be called a theory of insurance. The closing section (50 pp.) is an essay on statistics as a science. This is characteristic of all the author's text. He is really interested in a point of view, in the philosophy of his science. He seems to feel that only too often the theory and practice of statistical method are separated to their mutual and common disadvantage. He makes no pretense to completeness, but is seeking to give the reader the preparation and the attitude which are desired as an introduction to later close study of some particular field. The work seems well thought out and is convenient for consecutive study; unfortunately it will be handicapped for reference use by its lack of index.

E. B. WILSON.

Massachusetts Institute of Technology.

NEW BOOKS

- DAVENPORT, C. B. *Statistical methods with special reference to biological variation*. Third edition, revised. (New York: Wiley. 1914. Pp. 8, 223. \$1.50.)
- GORING, C. *The English convict: a statistical study*. (London: Published by His Majesty's Stationery Office. 1913. Pp. 440. 9s.)
- GINI, C. *L'uomo medio*. (Rome: Athenaeum. 1914: Pp. 24.)
- DE LEENER, G. *Le rôle de la statistique dans l'exploitation des chemins de fer*. (Brussels: Misch & Thron. 1913. Pp. 19. 0.75 fr.)
- LORDIER, C. *Economie politique et statistique*. (Paris: Dunod & Pinat. 1914. Pp. xi, 604. 10 fr.)
To be reviewed.
- ROST, H. *Beiträge zur Moralstatistik*. (Paderborn: Schöningh. 1913. Pp. 177. 4 M.)
- SCHOTT, S. *Statistik*. Aus Natur und Geisteswelt, 442. (Leipzig: Teubner. 1913. Pp. iv, 130. 1 M.)
- STUART, C. A. V. *Inleiding tot de Beoefening der Statistiek*. (Haarlem: Erven F. Bohn. 1913. Pp. 402.)
- WOLF, J. *Das internationale Zahlungswesen*. (Leipzig: Mitteleuropäischer Wirtschaftsverein. 1913. Pp. viii, 214.)
- ZACH, L. *Die Statistik*. (Munich: Kösel. 1913. Pp. xi, 214. 1 M.)
- Census, 1911, England and Wales*, vol. X. *Occupations and industries*, part II. 7019. (London: Wyman. 1914. 6s. 3d.)
- The official year book of New South Wales*. 1912. (Sydney: Bureau of Statistics. 1913. Pp. 1036.)

- Statistique générale de la France. Historique et travaux de la fin du XVIII^e siècle au début du XX^e avec 103 tableaux graphiques relatifs aux travaux les plus récents.* (Paris: Impr. Nationale. 1913. Pp. 164.)
- Geschichte der neueren bayerischen Statistik. Beiträge zur Statistik des königreich Bayern, 86.* (Munich: J. Lindauer. 1914. Pp. viii, 277. 4 M.)
- Führer für die statistischen Bilder auf der internationalen Baufach-Ausstellung Leipzig, 1913.* (Halle a. S.: Gebauer-Schwetschke. 1913. Pp. vii, 106. 1.50 M.)
- Gebiete und Methoden der amtlichen Arbeitsstatistik in den wichtigsten Industriestaaten. Beiträge zur Arbeiterstatistik, 12.* (Stettin: Carl Heymann. 1913. Pp. vii, 696. 7 M.)
- Lohnstatistik des Personals der österreichischen Staatseisenbahnverwaltung nach dem Stande vom 31. 12. 1912.* Four volumes. (Vienna: Hof- und Staatsdruckerei. 1913. Pp. iii, 251; 927; 843; 293. 16 M.)
- Cenni statistici sul movimento economico dell'Italia. Progresso economico dell'Italia nel ventennio 1893-1912.* (Milan: Capriolo & Massimino. 1913. Pp. 258.)
- Censimento degli opifici e delle imprese industriali al 10 giugno 1911. Vol. I. Dati riassuntivi concernenti il numero, il personale e la forza motrice delle imprese censite.* (Rome: G. Bertero. 1913. Pp. 247, 2 1.)

DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

The National Highways Association (Washington) is publishing pamphlets in advocacy of good roads to be aided by the federal government. These contain many maps, statistical data, and photographs which will be of considerable service to students of our national resources.

The Department of Agriculture has issued *Live Stock of the United States* (Feb. 7, 1914, pp. 43); *Statistics of Sugar in the United States and its Insular Possessions, 1881-1912* (March 10, 1914, pp. 25); and *A Farm-Management Survey of Three Representative Areas in Indiana, Illinois, and Iowa* (Jan. 14, 1914, pp. 42).

The federal Bureau of Labor Statistics, in Bulletin No. 130, *Wheat and Flour Prices from Farmer to Consumer*, by J. Chester Bowen (Washington, 1914, pp. 12), discusses the prices paid to the farmer for wheat and the prices received for flour by the jobber and retailer. The object of the investigation is to ascertain the relation existing between wheat prices and retail prices of flour, and also to determine the cost of distribution as the wheat and flour pass from the producer to the consumer.

In connection with the seventh annual convention of the National Cannery Association, held in Baltimore, February, 1914, there was prepared *A History of the Canning Industry*, edited by Arthur I. Judge (Baltimore, pp. 158).

The Merchants Association of New York has published a valuable pamphlet, *Digest of a Report on a Comparative Study of the Economic, Industrial and Commercial Conditions in the Free Ports of Europe and the Port of New York*, by Philip B. Kennedy. Early in 1913 the Merchants Association endeavored to secure an expression of opinion as to the advisability of establishing a free port in New York. The opinions thus collected showed much disagreement. Further study, therefore, was thought necessary, and Mr. Kennedy was sent abroad to make an investigation. Mr. Kennedy visited the free ports of Hamburg, Bremen, and Copenhagen, and the non-free ports of Rotterdam and Antwerp (pp. 55).

Corporations

RAILROAD ACCOUNTING SYSTEM. In 1910, the Interstate Commerce Commission instituted a revised *Classification of Expenditures for*

Additions and Betterments of Steam Roads, in which were prescribed the methods of accounting for losses occasioned by the abandonment of property. In these regulations a distinction was made between property abandonment occasioned *directly* because of improvements and property abandonment *incidental* to improvements. Losses occasioned by property abandoned or withdrawn directly and not replaced (unless the property unit, in any instance, be less than \$200) was required to be charged to profit and loss, "to which should also be charged any incidental expenses connected with the retirement." Abandonment *as an incident* to improvements was held to be a loss chargeable entirely to current earnings. In the event that such a loss in any one year should "unduly burden the accounts," the commission may permit a portion of the loss to be carried forward as a periodical charge against the earnings of subsequent years.

These rulings threatened to seriously impair the net earnings of railroads undertaking heavy improvement and reconstruction work, such as the relocation of tracks, bridges, and the like. Accordingly, a suit was brought by the Kansas City Southern Railway in the Commerce Court, and finally carried to the Supreme Court, to test the validity of the commission's rulings. In 1909 the Kansas City Southern issued \$10,000,000 bonds, out of the proceeds of which \$1,250,000 was set aside for the reduction of grades. It was found cheaper at some points to build sections over new routes and to abandon the old sections rather than to raise or lower the old tracks at these points. The latter method would have cost \$1,230,319, but by putting in new sections at six points the expense was reduced to \$629,400. The sections abandoned were discarded not because they were out of repair or worn out or obsolete, but merely *as an incident* to the most economical method of effecting the improvement.

The regulations of the commission required that the estimated value of the property abandoned should be written from the books and that the net loss, *viz.*, \$491,000, should be entered as an operating expense. "The injustice and absurdity of these regulations," says the plaintiffs' brief in the case, "are clear from the fact that had the improvements been made on the original roadway, the regulations of the commission, without any of this chaotic confusion, would have permitted and required that the entire expenditure be added to the property accounts, and no sum whatever should be charged to operating expenses."

The railroad company contended that the rulings regarding losses from property abandoned were unreasonable, beyond the power or authority of either Congress or the commission, and violative of the

fifth amendment to the Constitution as being a deprivation of property without due process of law. The last contention was based on the theory that the company's preferred stockholders had a vested right in the customary dividends which they had been receiving, and that to charge heavy losses due to property abandonment against current earnings "is to reduce the amount of net earnings applicable to dividends and thereby cause an irreparable loss to preferred stockholders."

In its decision, the court upheld the section of the Interstate Commerce Act giving full power to the commission to regulate accounts of carriers. Regarding the contention that property abandoned as an incident to permanent improvements is not an operating expense, the court admitted that "in so complicated a matter as the construction, maintenance, and operation of a railroad line, it is difficult to define and perhaps more difficult to consistently apply a precise distinction between capital and expense accounts." However, if the commission's accounting rules "do no violence" to the general principles upon which the distinction between capital expenditures and operating expenditures are based, the court must ignore the effects of the practical application of the principles. Thus, though granting that there is much force in the argument that losses from property abandonment are more properly a charge against profit and loss than against current earnings, the court was "unable to see that it furnishes ground for judicial interference."

New York University.

A. M. SAKOLSKI.

SHIPPING COMBINATIONS. The *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade* (Washington, 1914, pp. xiv, 459) is the fourth volume of the *Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations*, and concludes what is probably one of the most interesting investigations of recent years. The report is divided into three sections: part I, dealing with American foreign trade; part II, dealing with American domestic trade; and a section embodying the recommendations of the committee for dealing with these combinations. A very complete and comprehensive index of more than 25 pages facilitates reference. This index is in addition to the one of 50 pages supplementing the two volumes of testimony. The conferences and agreements are taken up and discussed by trade groups as Agreements in the Trade with South America (ch. 6). Numerous large charts are introduced which show the affiliations of the various lines and which indicate clearly their membership in various conferences. The last chapter of part I is devoted to a summary of the methods of

conferences and agreements, their advantages and disadvantages, and recommendations made to the committee for their regulation. A similar summary is made for the domestic trade in the last chapter of part II. The report is extremely well done and great credit for its excellence is due to Dr. Huebner, of the University of Pennsylvania, who prepared it under the direction of the chairman of the committee.

The most interesting portion of the volume is the brief final section containing the recommendations of the committee. So far as foreign trade is concerned the committee states that only two courses of action were open for adoption: (1) to attempt the restoration of unrestricted competition by prohibiting all agreements and understandings; or (2) to recognize them but to eliminate existing disadvantages and abuses. The latter is the plan favored by the committee, which proposes: to place lines engaged in the foreign trade under the jurisdiction of the Interstate Commerce Commission; to require all agreements, memorandums of understanding, etc. to be filed with that body; to give the commission power to investigate complaints, institute proceedings, etc; to forbid rebating and discriminations; to prohibit fighting ships and deferred rebates; and, finally, to provide penalties adequate to enforce these provisions.

To the mind of the writer the above program presents one serious defect. This is in the prohibition of deferred rebates. If the requisite regularity and rapidity of service in many trades is to be maintained, it is submitted that a conference should not be subjected to the competition of tramp steamers which drop into port from time to time offering to take cargo at extremely low rates. Unless some form of deferred rebate under adequate supervision is permitted, it is extremely difficult to see how, in many cases, it will pay either to maintain a regular service or to devote to the traffic sufficiently large and high-powered steamers to secure rapid transportation. It certainly does not seem fair that traffic developed by lines maintaining these conditions should be at the mercy of a chance tramp steamer.

The recommendations of the committee in regard to domestic water carriers are along lines not dissimilar to those made in reference to foreign carriers. It is proposed that the former also be placed under the jurisdiction of the Interstate Commerce Commission and regulated accordingly.

WILLIAM S. STEVENS.

GOVERNMENT OWNERSHIP OF ELECTRICAL MEANS OF COMMUNICATION. In response to a Senate resolution of January 12, 1914, a com-

mittee of the Post Office Department has prepared and transmitted by the Postmaster General to the Senate a report on *Government Ownership of Electrical Means of Communication* (Washington, Sen. Doc. No. 399, 62 Cong., 1 Sess., 1914, pp. 148). It was called for because of the following passages in the annual report of the Postmaster General for the fiscal year 1913:

A study of the constitutional purposes of the postal establishment leads to the conviction that the Post Office Department should have control over all means of the communication of intelligence . . . Since June last the department has been conducting a careful investigation to determine the desirability and practicability of extending the government ownership and control of means of communication, with a view to the acquisition by the government of the telegraph and telephone facilities, to be operated as an adjunct to the Postal Service.

The report proper is comparatively brief and concludes with the following recommendations: (1) That Congress declare a government monopoly over all telegraph, telephone, and radio communication, and such other means for the transmission of intelligence as may hereafter develop. (2) That Congress acquire by purchase at this time at the appraised value the commercial telephone network, except the farmer lines. (3) That Congress authorize the Postmaster General to issue, in his discretion and under such regulations as he may prescribe, revocable licenses for the operation, by private individuals, associations, companies, and corporations, of the telegraph service and such parts of the telephone service as may not be acquired by the government.

The greater portion of the document consists of appendices, containing a historical resumé of the agitation for government ownership of the telegraph and telephone in the United States, a summary of state legislative action relative to telephone and telegraph service, and, most important of all, a series of statistical tables relative to postal, telephonic, and telegraphic services in the principal countries of the world. The Postmaster General apparently relies upon this statistical evidence to demonstrate the following propositions: (1) That competition, in the long run, produces neither as adequate nor as satisfactory service as monopoly, nor such reasonable rates. (2) That private monopoly is less efficient than governmental monopoly, charges higher rates, and renders less adequate service. This or similar evidence is likewise relied upon by the chief advocates of "postalization" of the telephone in Congress, notably Congressman Lewis of Maryland.

The validity of the evidence in support of the second proposition has been challenged by the American Telephone & Telegraph Co. (*Commercial Bulletin*, No. 7, Commercial Engineer's Office, New York, March 2, 1914.) Even without the aid of the exhaustive criticism by the engineers in the service of the telephone company, it would be evident to the economist that the Postmaster General's statistical evidence does not demonstrate his propositions, as he supposes. The careful student, however, will examine both documents, and he will not then conclude that the Postmaster General's case cannot be demonstrated. He will content himself with the Scotch verdict, not proven.

A. N. HOLCOMBE.

Students of railway questions will undoubtedly wish to obtain as a separate publication the decision of the Interstate Commerce Commission in the industrial railways case "in the matter of allowances to short lines of railroads serving industries," decided January 20, 1914. This is printed as a separate (pp. 212-373).

The *First Annual Report of the Public Service Commission of Massachusetts*, in advance form, has been issued (Boston, 1914, Pub. Doc. No. 14, pp. 116). Some thirty pages are given to the subject of telephone rates, with a report of the engineers, D. C. and W. B. Jackson. A series of diagrams also illustrates this topic.

The resolutions of the Chamber of Commerce of the State of New York, adopted February 19, 1914, in regard to proposed anti-trust legislation, with a statement of the underlying principles that should control the regulation of business, has been published in a separate pamphlet (pp. 10).

Labor

SOCIAL POLITICS IN CALIFORNIA. Under the vigorous leadership of Governor Hiram W. Johnson, California is making rapid progress in social legislation. Three carefully selected commissions, with ample appropriations for effective work, have recently entered upon their labors.

The Commission of Immigration and Housing, organized November 1, 1913, chose Paul Scharrenberg, secretary of the State Federation of Labor, as secretary, and Carleton H. Parker, of the State University, as executive officer. Professor Parker outlines the scope of the commission's activities as follows:

We are not only to prepare the state for the problems that will arise when the new immigrant comes in through the Panama canal, but we shall also

begin aggressively to correct all abuses and exploitations of aliens whose residence in this country is, roughly, not more than seven or eight years. California has, as nearly as we can calculate, some 350,000 who would come under this designation. The exploitation of these people by taxicab men, baggage men, white-slave procurers, land sharks and confidence men is, as you know, a matter of daily occurrence. The stories that we have uncovered are just as typical and pitiful as anything found in New York. Among our ambitions are the licensing of immigrant lodging houses, and strict standardization of their sanitation; a censorship of real estate schemes advertised to attract foreigners; a strict regulation of the sanitary conditions of camps for seasonal workers; and an agitation to give immigrants educational opportunities which will, together with better wages and hygienic conditions of work, form an environment or atmosphere in which they can become citizens, if not of a so-called American type, at least of a desirable or healthy type.

At the request of the federal Commission on Industrial Relations, Professor Parker made an investigation of last summer's riot resulting in the death of four men, in the Wheatland hop fields. He estimates that from one third to one half of the 3,000 hop pickers were aliens. One group of 235 contained no less than 27 nationalities, and it is said that the I. W. W. agitators found seven interpreters necessary to convey their doctrines to this polyglot audience. The extremely insanitary conditions revealed by this Wheatland investigation have stimulated the Immigration Commission to an active coöperation with the State Board of Health for the enforcement of the Camp Sanitation law which went into effect in August, 1913. This law affixes penalties of fines or imprisonment for the failure to provide proper sleeping accommodations, or the permitting of sanitary conditions menacing to the public health, in camps designed for use by more than five persons. The State Board of Health, with whom rests the power of condemning such a camp, will undertake to establish the requisite standards of sanitation; it is starting with the minimum requirements of the United States army, and will add such additional regulations as experience proves desirable. During the harvesting and fruit-picking seasons, the commission will maintain five inspectors in the field, and, in coöperation with the board of health, will prosecute all violations of the law.

The 1913 session of the legislature passed a Workmen's Compensation, Insurance and Safety Act which places California in the front rank of states with compulsory compensation for industrial accidents. The large number of unfortunate wage-earners who will be benefited by this law may be judged from the California industrial accident records of 1913 which show 826 deaths and 36,462 injuries. Six months after the passage of the elective compensation law of 1911, a constitutional amendment authorizing a compulsory law was approved

by a majority of 82,312. As the excessive rates charged by the casualty companies had led many employers to submit to the increased liability risks rather than choose the insurance features of the 1911 law, the need of some form of state insurance was evident, hence the authorization of the state insurance fund in the law of 1913. The third feature of the new law aims to counteract the tendency to neglect accident prevention which is charged to systems of compulsory insurance.

The new commission, which organized for work on January 1, will profit by the experience gained during the past two years, as two of the members of the older commission, A. J. Pillsbury, its chairman, and Will J. French, continue their services. The third member is Harris Weinstock, who is serving also as a member of the federal Commission on Industrial Relations. Professor Ira B. Cross, of the economics faculty of Stanford University, continues to act as secretary. Each of the three commissioners assumes general direction of one of the departments authorized by the new law, Mr. Pillsbury is supervising accident compensation, Mr. Weinstock is responsible for the organization of the state insurance fund, and Mr. French is looking after the safety department.

The commission is sparing no effort to enlist the best available expert assistance for its new work. Two experienced safety engineers have been selected to train the careless California public to an appreciation of modern methods of accident prevention: John R. Brownell, who, since his graduation from the Massachusetts Institute of Technology in 1901, has been safety expert for the Pennsylvania Steel Co., will organize the general educational campaign, and advise the commission about the safety regulations which it is authorized to make; Commissioner French has made an arrangement whereby the commission will coöperate with the United States Bureau of Mines for the support of H. M. Wolfelin, who is to undertake the instruction of the miners of the state, and to recommend safety requirements in this industry. Stereopticon lectures and a safety museum will be furnished for the enlightenment of the employers, and their interest in these educational opportunities will be stimulated by a system of merit rating which will adjust insurance premiums to the greater or less degree of risk found in the industrial establishments.

The difficult task of organizing the State Compensation Insurance Fund is making rapid progress under the expert management of C. W. Fellows, formerly superintendent of the Southern California Division of the Royal Indemnity Company. Premiums amounting to

considerably over a quarter of a million dollars have been paid in during the past three months. As there are no actuarial tables for the Pacific Coast industries, Mr. Fellows is making use of statistics collected by the Workmen's Compensation Service Bureau of New York, and adopting the same rates as the standard insurance companies. Average rates are being used for the first policies, but the commission expects to organize an inspection service and to lease the merit-rating system of Carl M. Hansen, so that future rates will be adjusted more accurately to the risks found to exist in individual establishments. The law permits the refusal of extra-hazardous risks, and at present such risks are being rejected or granted limited liability policies. As it is designed that the insurance fund shall be neither more nor less than self-supporting, a provision is inserted in the policies permitting the holders to share in any surplus that may remain at the time of the annual accounting of assets and liabilities, including in the latter reasonable reserves for meeting catastrophe risks. Undoubtedly these rebates will amount to substantial sums, as the state business is unsolicited and the expense ratio will be not over 15 per cent.

The third commission, which also began work on January 1, is the Minimum Wage Commission, or, to use the official designation, the Industrial Welfare Commission. This commission of five members has chosen for its chairman Judge Frank J. Murasky, who for many years has devoted himself to the San Francisco Juvenile Court. H. A. Scheel, its secretary and executive officer, has familiarized himself with California industrial conditions by his services as statistical expert for the State Labor Bureau. The tactful policy adopted makes it seem probable that the better class of employers will be brought into voluntary coöperation with the activities of the commission, stimulated to the maintenance of acceptable standards, and enlisted in the task of enforcing these standards in the establishments of the greedy and inefficient. The commissioners have held conferences with groups of employers in San Francisco, Sacramento, and Los Angeles, for the purpose of giving a clear understanding of the purposes of the new law, and of forestalling any opposition to the collection of accurate information. The Fruit Cannery Association has appointed a committee to assist in the preparation of a uniform pay schedule showing hours of work and amounts earned. This effort to obtain accurate information is the first step towards a wholesome standardization of conditions in this seasonal industry whose regulation always presents extreme difficulties. It is hoped that the friendly coöperation of the employers will make possible the gathering of a large body of exact

information about the conditions of work in department stores, laundries, confectionary establishments, canneries, and other places where women and minors are employed. The collectors of individual records make use of schedules from which the names and addresses of the informants may be detached for separate filing, and which are returned to the commission in sealed envelopes. It is estimated that in many establishments full records are obtained from as high as 90 per cent of the employees. The large amount of information acquired by this plan will guide the commission when it reaches the place where it is ready to decree the minimum, legally-enforceable wage. This final step can be taken either with the coöperation of a wage board, or by the sole authority of the commission. The hopeful outlook for the work of the Minimum Wage Commission, as well as the strictly enforced eight-hour law, are pleasing evidences of the disposition to deal generously with womankind that has been characteristic of California since forty-niner days.

University of California.

LUCILE EAVES.

WORKMEN'S COMPENSATION IN CALIFORNIA. Workmen's compensation in California dates from the enactment of the Roseberry law in 1911. There had been no widespread agitation for such a measure, and hitherto the state had been rather backward in legislating for the welfare of its workers. The legislature of 1911, however, was fairly progressive in its point of view, and a mere handful of people interested in the subject easily succeeded in obtaining the passage of the bill. Its advocates had obtained a copy of the third draft of what was later to be the Wisconsin Compensation Act, and secured its enactment in California before its adoption in Wisconsin. The latter, however, amended the third draft in several important particulars, and thus remedied several of the weak parts in the law enacted in California.

The Roseberry law was of two parts. The first two sections dealt with employers' liability, and in addition to modifying the doctrine of contributory negligence by changing it to one of comparative negligence, it abolished the common law doctrine of the assumption of risk and also that of the fellow-servant rule. It was made illegal for any employer by any contract, rule, or regulation, to obtain from his employee a waiver of liability, which would impair the employee's rights under the act. Employers were permitted to elect to come under the compensation part of the act, and their employees, if they desired to do so, were privileged only to reject the same by written notice. Election on the part of the employer was made by his filing

with the Industrial Accident Board a written statement to the effect that he accepted the compensation provisions of the law. Such election bound him without further act on his part for periods of one year, unless he filed a notice of withdrawal with the Industrial Accident Board at least sixty days prior to the expiration of the year term.

The framers of the act undoubtedly intended that it should be compulsory upon public corporations and their employees, but in a test case (*Miller v. Pillsbury et al.*) the state supreme court decided that the state and, consequently, other public corporations were not so subject.

For the administration of the act there was created an Industrial Accident Board of three members appointed by the governor. A review of the board's awards could be had by taking the matter into the superior courts of the state, but this could be done only within thirty days following the date of the award. The superior court, however, was only authorized to set aside an award of the board upon the grounds that it had acted without or in excess of its powers, that the award had been procured by fraud, or that the findings of fact by the board did not support the award. In only four cases has a review been requested; in three of which the case was withdrawn, while in the fourth the award of the board was upheld. An appeal to the supreme court of the state was also provided for. Claims for compensation were not assignable. Compensation was declared to be a preferred claim and was not to be taken for the debts of the party entitled thereto. No state insurance of any kind was established.

After the law went into effect the insurance companies raised their rates to almost impossible limits. The board estimated that the rate which should have been charged for compensation insurance in California should have been about \$1.22 on the \$100 pay-roll, while the average annual compensation rate as charged by the insurance companies was fixed at \$5.13. Many of the companies, indeed, bitterly opposed the principle of compensation. A few of the larger and more progressive business corporations immediately elected compensation; but, on the other hand, the small employers hesitated to do so because of the heavy costs of insurance. The number of elections, however, increased constantly until at the close of 1913, after two and a half years of operation, there were about 1,200 employers under the act, whose employees numbered approximately 100,000. That the act proved eminently satisfactory from the standpoint of the employer is shown by the fact that but three withdrew their election. Only one of the insurance companies in the state made a specialty of writing

compensation policies, and a large number of the elections recorded were due to the activities of its agents. No effort was made by the Industrial Accident Board to organize a competing mutual insurance company or to assist any established company in writing compensation insurance, as has been done in other states, especially in Wisconsin and Michigan. Throughout its existence the board pursued a conciliatory and surprisingly conservative policy in its treatment of insurance carriers. Added to the above was the fact that sufficient publicity was not given to the work of the Industrial Accident Board or to the subject of compensation, with the result that many employers remained ignorant regarding the existence of the act.

Under the Roseberry law, up to January 1, 1914, the board had 83 controversies brought before it for adjudication. The greater part of these related to the amount of compensation due or to the extent of the disability of the injured person. The only cases of wide interest were those in which the board decided that being caught in a blizzard and freezing to death was an industrial accident, that disability resulting from a slow burn as the consequence of contact with "green" concrete, which burn took place during the greater part of an afternoon, was an industrial accident, and that an employee suffering from hysterical paralysis, said paralysis having been caused by an industrial accident, was entitled to compensation.

Laws relating to the reporting of industrial accidents were enacted by the legislature at its special session in the spring of 1912. During that year the statistical department thus established obtained data relating to 9,627 accidents which disabled for more than one week, but not including those occurring in agriculture and domestic service. Of that number 8,681 were cases of temporary disability, 531 were of permanent disability, and 412 were fatalities. The estimated wage loss for those 9,627 accidents was fixed at \$14,537,240. Of the entire number of killed and injured, but 912 were under the protection of the compensation provisions of the Roseberry act.

During 1913, 24,177 industrial accidents were reported to the board, of which 12,106 caused disability lasting longer than one week or death. Of the latter number 10,659 were cases of temporary disability, 864 were of permanent disability, and 583 were fatalities. The estimated wages lost for the 12,106 accidents was fixed at \$18,255,616. Of the entire number of killed and injured only 1,844 received the benefits of compensation as provided by the Roseberry act.

On October 10, 1911, a large number of constitutional amendments were submitted to the people of California. Most stress was laid upon

that which referred to woman suffrage, but inasmuch as the state was experiencing a wave of progressivism, practically all were adopted by large majorities. Very little attention was devoted to that amendment which proposed to authorize the legislature to enact a compulsory compensation law. In spite of that fact, it received the overwhelming majority of 82,312. When the legislature convened in January, 1913, there was submitted to it a thoroughgoing and extremely comprehensive compulsory compensation measure. The bill was the result of a very careful study and investigation on the part of the Industrial Accident Board, its experts, and certain committees of public organizations. Of special value was the assistance and publicity rendered by the compensation committee of the Commonwealth Club of San Francisco. The legislature, by an almost unanimous vote, adopted the bill practically as drafted. There was some opposition on the part of the Employers' Federation of California, which, although objecting to the scale of compensation recommended, favored a compulsory compensation act. The insurance companies, however, bitterly opposed the bill primarily because it established a State Compensation Insurance Fund. The measure had the united support of the labor interests as well as that of the state Progressive administration.

That law, popularly known as the Boynton act, is of three distinct parts. The first concerns the matter of compensation, fixes the scale of benefits, outlines the methods of administration, and establishes an Industrial Accident Commission. The second part of the act provides for a State Compensation Insurance Fund to be administered by the Industrial Accident Commission, the fund to be neither more nor less than self-supporting. It is given a reserve fund of \$100,000, together with an appropriation of \$68,000 for its expenses, if required. The third part of the act deals with safety, and follows very closely the provisions of the Wisconsin law.

Compensation is made compulsory upon all employers, excepting those whose employees are engaged in employment which is both casual and not in the usual course of the business or occupation of the employer, and also excepting any employee engaged in farm, dairy, agricultural, viticultural or horticultural labor, in stock or poultry raising, or in household domestic service. The bill, as originally introduced, made compensation compulsory upon all employers, regardless of the character of the employment engaged in, but it was found necessary, because of the opposition of the farmer element, to exclude farm employees. For the employers of the exempted classes of employees, provision is made for their election, through the filing of a written

notice to that effect with the Industrial Accident Commission. During the first two months of the operation of the act, it having become effective January 1, 1914, about a thousand elections have been filed.

The most interesting, and, in a way, the most original part of the new compensation schedule is that which relates to the amount of compensation payable for permanent disability. The Industrial Accident Board felt that it was unjust to pay the same aggregate amount of compensation to the man who lost an arm or leg as to the man who suffered a total and permanent disability. The Roseberry act had made no distinction of that sort and had required that for partial or total permanent disability, the aggregate amount payable could not exceed three times the injured person's average annual earnings. The board, after a very comprehensive study of the situation, decided to ask the workmen of the state, through their organizations, if they would agree to have the waiting period of one week extended to two weeks in the case of those temporarily disabled, in order that those permanently disabled might receive a greater amount of compensation for their more serious injuries. Assent was readily obtained, whereupon the board incorporated in the bill a section which declares that the percentage of permanent disability to total disability is first to be determined, after which the disability indemnity is to be computed and allowed upon the following schedule:

Disability	Pay 65 per cent of wages for	Then pay during life
<i>Per cent</i>	<i>Weeks</i>	<i>Per cent of wages</i>
10	40	
20	80	
30	120	
40	160	
50	200	
60	240	
70	240	10
80	240	20
90	240	30
100	240	40

Thus, by reducing the compensation paid for disabilities rated at less than 60 per cent, and by raising the waiting period from one week to two weeks, enough was saved to cover the cost of the life pensions.

The board, immediately upon the enactment of the bill, appointed a number of special investigators for the purpose of having them prepare a schedule for the rating of permanent disabilities, so that the employer,

policies amounting to \$230,000, making the state responsible for policies on pay rolls estimated at more than \$20,000,000. At the

without bringing the matter before the commission, might with ease rate the extent of the disability of those men who had been permanently injured while in his employ. After holding conferences with thousands of employers, with a score or more of employers' associations, and with more than 200 trade unions, and after carefully studying 1,400 different occupations and the general characteristics of various industries of the state, a detailed and comprehensive rating schedule was prepared and placed in the hands of the employers. This, without doubt, is the greatest contribution that has been made by the state of California to the subject of workmen's compensation.

Section 30 of the act introduces a new policy in connection with compensation acts, by holding the principal, any general contractor, and each intermediate contractor liable to pay to any injured employee or to his dependents any compensation which the immediate employer is liable to pay. The law also requires that no settlement can be made with an employee or his dependents for less than the full amount as required by the act.

Insurance against industrial accidents is not compulsory. The employer may insure in a mutual company, in a private stock company, in an inter-insurance company or in the State Compensation Insurance Fund, or, if he desires to do so, he may carry his own insurance. The Industrial Accident Commission is not authorized to approve or disapprove the insurance policy carried by any employer. Suits for damages against employers covered by the act are not permitted, except in those cases where it can be shown that the injury resulted from the employer's gross negligence or wilful misconduct, and to further prevent the same, the employers, excepting those who are hiring employees of the exempted classes, are prohibited from insuring against liability for damages recoverable at law.

The State Compensation Insurance Fund administered by the Industrial Accident Commission, has proven most successful. At first it was intended that the fund fix its own rates, regardless of those charged by other insurance companies. After its actuary had compiled a manual of rates, based upon the Massachusetts schedule, it was discovered that they were but about 7 per cent lower than those fixed by the Workmen's Compensation Service Bureau of New York City. After considerable discussion and deliberation, it was finally decided to accept the latter's schedule and to charge the same rates as those of the private stock companies in California.

During the first seven weeks of administration, the State Compensation Insurance Fund collected actual premiums on compensation

policies amounting to \$230,000, making the state responsible for policies on pay-rolls estimated at more than \$30,000,000. At the present time an average of from two to five thousand dollars in premiums is being taken in daily. It is publicly acknowledged that the state fund is writing more new business than any other insurance carrier in the state. It is pursuing a very conservative policy, and has refused to accept certain mining and other risks which were not considered desirable. Thus far it has not used any soliciting agents, but, in spite of that fact, has found it impossible to keep up with the business which has come into its offices without personal solicitation. A branch department of the fund has been established in Los Angeles.

The latter part of the law gives the commission the power to issue safety orders and to enforce the same. Safety museums are to be established, lectures are to be delivered, and other methods of spreading the propaganda of "safety first" are authorized by the act.

Thus far there have been no difficulties of administration and but comparatively few cases (21) have been brought before the commission for adjudication. The latter has carried on a much wider campaign of publicity than was possible under the Roseberry act; and from all possible sources, with the exception of certain reactionary influences and a few of the insurance companies, it has received the heartiest coöperation of the employers, the employees, and the public. Up to date (March, 1914), no attempt has been made to test the constitutionality of the act although it is daily expected that such will be done.

Stanford University.

IRA B. CROSS.

REPORT OF CASES UNDER THE MASSACHUSETTS WORKMEN'S COMPENSATION ACT. The Industrial Accident Board of Massachusetts has published a volume which is not the regular report of the board, but a special report covering cases determined by committees of arbitration, by the board as a whole, and by the supreme court of the commonwealth, during the first year of the board's existence, July 1, 1912, to June 30, 1913 (*Report of Cases under the Massachusetts Workmen's Compensation Act*, Boston, 1913, pp. xxv, 582). No other state commission or board, so far as I am aware, has undertaken to report its cases in this thoroughgoing way. The Massachusetts board has, therefore, performed a very useful service for all those who are interested in the promotion of legislation or the administration of compensation acts, by thus setting forth so fully its experience in a new and difficult field.

The board handled nearly 350 cases in which arbitration commit-

tees were asked for by one party or the other during the year. A considerable number were settled through the mediation of a member of the board without the formality or expense of arbitration proceedings, but many had to go to an arbitration committee, a smaller number were appealed to the full board for review and determination, and a considerable number were carried up to the supreme court for final decision. Many of the cases appealed to the supreme court are still pending, but the court has rendered a number of important decisions which have settled doubtful points in the interpretation of the act. One of the most important of these decisions has been handed down since this report was published and sustains the board in its contention that the act covers industrial diseases as well as accidents. In addition to the cases and decisions, the book contains the text of the Compensation Act and supplementary legislation, rules and forms adopted by the board, an index to the act, and a subject index to the cases and decisions.

It is evident that the board construes the law and its own functions in a liberal way and that it has been sustained in its humane administration of the act by the supreme court.

CARROLL W. DOTEN.

CALIFORNIA ACCIDENT STATISTICS. The *Statistical Bulletin* for the year 1913 issued by the Industrial Accident Commission of California presents some amazing figures regarding the killing and maiming of the industrial workers of the state. In all, there were 24,177 accidents reported to the commission, 12,106 of which resulted in death or disabled the worker for a period of one week or more. The distribution was as follows: Temporary disability, 10,659; permanent disability, 864; death, 583; showing that out of every thousand workers injured 881 were temporarily disabled, 71 were permanently crippled and 40 were killed. The average age of the injured was 34.09 years; the average weekly wage was \$18.60; 47.3 per cent of the injured workers were married; 32.1 per cent were foreign born. It was estimated that a total wage loss for those temporarily incapacitated was \$662,363; for those permanently injured, \$4,755,890; and for those killed, \$12,837,422; total wage loss, \$18,255,616. The average wage loss in case of temporary disability was \$66.93; in case of permanent injury, \$6,392; and in case of death, \$25,370. The total amount of indemnity paid for 10,721 accidents, in connection with which complete data were obtained, was \$613,862.

IRA B. CROSS.

In the March issue, 1914 (p. 214), reference is made to a report on the copper strike in Michigan. An official investigation has also been made under the direction of the federal Commissioner of Labor Statistics. This was first printed as Sen. Doc. No. 381, 63 Cong., 2 Sess., and has been reproduced as Bulletin No. 139 of the Bureau of Labor Statistics (Washington, Feb. 7, 1914, pp. 183). This contains an appendix on the organization and properties of the Calumet and Hecla Mining Company and subsidiary companies.

In this connection is to be noted *Industrial Disputes in Colorado and Michigan. Hearings before the Committee on Rules, House of Representatives* (63 Cong., 2 Sess., Dec. 10 and 17, 1913, pp. 59).

During the past year the National Civic Federation, in coöperation with the American Federation of Labor, appointed a commission to study the operation of state workmen's compensation laws. This investigation has been finished and the report printed as a federal public document (Sen. Doc. No. 419, 63 Cong., 2 Sess., pp. 255). It contains a helpful topical analysis, with extended appendices, presenting a digest of state statutes in force January 1, 1914. Rules and forms used by various boards are also appended.

A valuable document bearing upon the question of a minimum wage for women has been prepared by Louis D. Brandeis and Josephine Goldmark in a brief submitted by the respondents in a case brought before the supreme court of Oregon against the Industrial Welfare Commission of that state. This document contains a discussion of the evils of low wages, benefits of an adequate wage, and benefits of the legal minimum wage. For this purpose excerpts have been made from many books and reports (New York, National Consumers' League, pp. 207).

The decision of the Oregon supreme court in favor of the Industrial Welfare Commission in fixing the hours of labor of women, which was rendered March 17, 1914, may be obtained from the Oregon commission (Salem).

The Legislative Reference Department of the Michigan State Library has published as Bulletin No. 5, the *Laws of the Various States Relating to Minimum Wage for Women and Minors* (Lansing, 1913, pp. 37).

The subject of the minimum wage is further treated in pamphlets published by the National Anti-Sweating League of England (34 Mecklenburgh Sq., London, W. C.) as follows: *Sweated Workers and Trade Boards, Conference at Sunderland House held November 18,*

1913 (pp. 11); *Extending the Trade Boards Act*, by J. J. Mallon (pp. 10); and *Seventh Annual Report* (pp. 39).

The Proceedings of the Twenty-Seventh Annual Convention of the International Association of Factory Inspectors and the Twenty-Ninth Annual Convention of the International Association of Labor Commissioners held in Chicago in May, 1913, have been printed in a joint pamphlet. (W. L. Mitchell, secretary, Nashville, Tenn., 1913, pp. 219.) The pamphlet includes two or three papers on practical questions relating to factory inspection.

In the *Massachusetts Report of the Special Committee Appointed to Investigate the Conditions under which Women and Children Labor in the Various Industries and Occupations*, submitted January, 1914, especial attention is given to the working of the new law restricting the labor of minors between fourteen and sixteen years of age. Efforts were made to secure detailed reports as to the number of minors discharged and as to how far general business can be adjusted to the new law (Boston, 1914, House Doc. No. 2126, pp. 194).

In the March issue, page 212, reference was made to the publication of two volumes of the *Second Report of the Factory Investigating Commission* of New York. Two additional volumes have appeared (pp. 1127-2437; xxiv, 1126), containing testimony and proceedings.

In the *Illinois Factory Inspection Bulletin* for April there is a review of factory inspection and legislation in that state from the act of 1877 to the present time (pp. 3-17). This issue also contains an argument for the inclusion of occupational diseases within the operation of the act, and there is a technical article on electrica ophthalmia.

In the document, *In the Arbitration Proceedings between the Employes of the Indianapolis Traction and Terminal Company, by and through their Committee, and Indianapolis Traction and Terminal Company before the Public Service Commission of Indiana acting as a Voluntary Board of Arbitration*, is an extended argument by the attorney of the company; a list of grievances of the employees, with pleadings of the company; and exhibits of the hours of time and wages of employees (pp. 141-243). The volume furnishes valuable material in regard to actual earnings as distinguished from wage rates.

Reports of Cases under the Workmen's Compensation Act determined by Committees of Arbitration, the Industrial Accident Board and the Supreme Judicial Court for Massachusetts, 1912-1913 (Boston, pp. xxv, 582), contains a brief introduction, analyzing the different kinds

of cases brought before the board, followed by transcripts of decisions. There is a helpful subject index to these cases.

In the *Report of the Director of the Bureau of Mines, 1913*, it is noted that 2,785 men were killed in the coal mines of the United States during 1913. This was an increase of 425 deaths over 1912, and gives a fatality rate of 3.82 per thousand. "It is unfortunate that the safety inquiries and investigations by the national government, upon which so much depends, have lagged so far behind the needs of the industry and public demands" (Washington, pp. 118).

The Industrial Welfare Commission of Oregon, under date of December 3, 1913, established a minimum wage for experienced adult women engaged in office work in the city of Portland, for not more than 51 hours in any week, nor at a wage rate of less than \$40 a month. The following classes of workers are included under this ruling: stenographers, bookkeepers, typists, billing clerks, filing clerks, cashiers, checkers, invoicers, comptometer operators, auditors, and those doing any kind of clerical work. Under date of March 9 an order was issued that experienced adult women in any industry in Oregon paid by time rate should not receive less than \$8.25 a week, "any lesser amount being hereby declared inadequate to supply the necessary cost of living to such women workers and to maintain them in health." Inexperienced adult women should be paid not less than \$6 a week. "The maximum length of time such workers may be considered inexperienced in any industry shall not exceed one year."

In the March number, 1913 (vol. III, p. 190), there was an extended note on "State Industrial Insurance in Washington," based upon the first annual report of the Industrial Insurance Department. The second report for 1913 has now appeared (Olympia, pp. 133).

Reference has been made in previous issues of the REVIEW (Dec., 1912, p. 965, March, 1913, p. 208, and September, 1913, p. 721) to bulletins of the Industrial Commission of Wisconsin. Additional bulletins not hitherto noted are, *Eye Injuries and their Prevention* (March 20, 1913); *Metal Burns and their Prevention* (April 20, 1913); *Infections and their Prevention* (Oct. 20, 1913); and *Accidents Caused by Objects Striking Workmen* (Nov. 20, 1913).

The Employers' Liability Assurance Corporation of London has published a brief pamphlet containing an analysis in the form of question and answer on the *New York State Workmen's Compensation Law* (56 Maiden Lane, New York, pp. 15).

Money, Prices, Credit, and Banking

THE EQUATION OF EXCHANGE FOR 1913, AND FORECAST. The following table is the completed calculation of the equation of exchange for 1913 together with the corresponding figures for 1912:

Circ. of money (37)		+	Circ. of checks (440)		=	Value of goods bought (477)	
Money \times its velocity		+	Deposits \times their veloc.		=	Scale of prices \times trade	
i.e. $M \times V$		+	$M' \times V'$		=	$P \times T$	
i.e. 1.78×21		+	8.15×54		=	104.8×455	
(12) 1.71×22		+	8.17×53.4		=	105.3×450	

The above figures show only slight changes relatively to 1912. In other words, in 1913 there was a cessation of the expansion previously going on. In fact, if we should take separately the figures for the latter part of 1913, we should observe a considerable contraction.¹

As remarked in the March number, we seem now to be in a business depression following the mild crisis² of 1913. The outlook for the present year seems to be a gradual recovery forming a new period of expansion and complicated by a tendency toward a so-called "unfavorable" balance of trade, due both to the lowered tariff, which will

¹The completed figures here given differ somewhat from those given in March, owing chiefly to the fact that the data then used for the bank clearings on which the figures for circulation of checks were based, were quite different from the figures now available. The result is to raise the estimate of the velocity of circulation of deposits from 50 times a year to 54 times a year which agrees closely with the preliminary results of the calculation made by the Committee on Clearing Houses of the American Bankers Association according to a new and perhaps more accurate method. The present calculation also contains internal evidence of substantial correctness in the fact that the left and right sides of the equation of exchange (before any mutual adjustment of the estimates of the six magnitudes as independently calculated) agreed within less than 1 per cent (being respectively 479 and 474 billions). The figures as given in the table above are mutually adjusted, the only appreciable correction being in the figure for the volume of trade. This was raised from 452 billion to 455 billion units (each unit being the dollar's worth at 1909 prices). Except in the cases of P and V the method of calculation is the same as that employed in the March article of this year. In the cases of P and V the method is the same as that employed in June, 1913. My thanks are due to Royal Meeker, Commissioner of Labor Statistics, and to Professor Wesley Clair Mitchell for advance information as to their index numbers for the prices of commodities and stocks respectively.

²The ear-marks of the crisis of 1913 consist in, (1) the culmination at the beginning of the year of an upward wave of prices, (2) low bank reserves, (3) the highest rates of interest since 1907, (4) a very tight money market, (5) the greatest number of bankruptcies since 1907, (6) the subsequent depression of trade, from which the country is still suffering.

encourage imports, and to the new currency act. So far as the price level is concerned, the lowered tariff with the possible or probable export of gold would tend to lower the price level, while the currency act, through inflation of credit, would tend to raise it. The net result should be a price level not differing greatly from that of 1913.

The folding diagram affords comparison with previous years back to 1896.

IRVING FISHER.

In the March number, 1914 (p. 219), reference was made to certain recent reports on the subject of agricultural credit. Further documents to be noted are *Agricultural Credit, Land-Mortgage or Long-Term Credit, Report of the United States Commission, Parts I and II, with Legislation Suggested* (Sen. Doc. No. 380, Parts I and II, 63 Cong., 2 Sess., 1914, pp. 73).

The hearings before the subcommittees of the House Committee on Banking and Currency on rural credits have been held throughout the winter. Up to March 18, 23 parts of such hearings have been published (paged separately).

On February 10, 1914, Governor Glynn of New York transmitted to the legislature a special message on the subject of agricultural credit.

The *Bank Depositors' Guaranty Law of Kansas* has been printed as a congressional document (Sen. Doc. No. 238, 63 Cong., 1 Sess., pp. 16).

The *Proceedings of the Second Annual Convention of the Investment Bankers Association of America*, held in October, 1913, have appeared (Frederick R. Fenton, secretary, 111 W. Monroe St., Chicago, pp. 314). This contains an article on "Municipal Financing," by Edmund D. Fisher, deputy comptroller of the City of New York (pp. 57-75); "Investment vs. Commercial Banking," by Professor Scott; "Electrical Securities," by Samuel Insull (pp. 115-150), elaborately illustrated with charts and photographs; "The Financing and Development of Hydro-Electric Power," by Delas A. Chappell (pp. 153-163); and the annual report on "blue sky" legislation (pp. 164-174).

The following reports of bankers associations have been received: *Proceedings of the Thirty-Ninth Annual Convention of American Bankers Association, Boston, August 7-10* (New York, 1913, pp. 824); *Proceedings of the Twelfth Annual Convention of the Colorado Bankers' Association* (pp. 163); *Proceedings of Twenty-Third Annual Convention of the Illinois Bankers' Association* (pp. 392). This contains

articles on "The practical application of the law of negotiable instruments in Illinois," by J. I. Ennis, and "Bank accounting systems," by T. E. Burkholder; *Proceedings of the Tenth Annual Session of the Arizona Bankers' Association* (pp. 83); *Proceedings of the Twenty-Third Annual Convention of the Ohio Bankers' Association* (pp. 253). This contains an article on "One cent letter postage," by Charles W. Burrows, and "Reserve provisions of the Owen-Glass bill," by H. P. Willis; *Proceedings of the Fifth Annual Convention of the Utah Bankers' Association* (pp. 111).

The addresses which were delivered at the annual banquet of the bankers of New York City, by Dr. J. Riesser of Berlin, M. Robert Masson of Paris, and Mr. James H. Simpson of Liverpool have been printed in a separate pamphlet (William J. Henry, secretary of the New York State Bankers' Association, 11 Pine St., New York City). These addresses discuss the banking systems of Germany, France, and England.

The auditor of the state of Indiana has published the *Bank Laws of State of Indiana, Mortgage Guaranty Company Law, Public Depositary Law, Forms, etc.* for 1913 (Indianapolis, pp. 169).

There has recently appeared *Proceedings of the Twenty-Fifth Annual Meeting of the Ohio Building Association League* (Charles H. Brown, secretary, 46 East Gay St., Columbus, Ohio, pp. 179), containing articles on "Financing Farm Enterprises," by Professor H. C. Price; "Farm Loans by Building Associations," by K. V. Haymaker; "State Guaranty of Building Association Investments," by E. R. Hiett; and "The New Mechanics' Lien Law," by F. M. Compton. *Proceedings of the Twenty-Third and Twenty-Fourth Annual Meetings of the Building Association League of Illinois* has also appeared (B. G. Vasen, secretary, Quincy, pp. 197).

Public Finance, Taxation, and Tariff

TAXATION OF WOODLAND IN CONNECTICUT. The *Report of the Special Commission on Taxation of Woodland* (Hartford, 1912, pp. 54) presents, everywhere briefly, a summary of the investigation conducted by the commission, an outline of the system of taxation recommended by a commission, a general discussion of forest taxation, a summary of state legislation, a description of the taxation of forests in Europe, a survey with appropriate maps of forest areas in selected towns of Connecticut, and certain miscellaneous statistical and legislative material relating to the present condition of forest taxation in

Connecticut. The report is admirably clear, concrete, and practical, though one could wish that the investigation of existing conditions had been conducted a little more thoroughly. The whole report bears traces of the guiding hand of Professor F. R. Fairchild of Yale University.

How fairly and efficiently to tax woodlands is an intricate question, particularly when one tries to eliminate lands suited for agricultural or other than forestry uses, to combine a land and yield tax, equate them with the burden of taxation upon other property, balk the speculator, prevent the scheme from being abused, and see that the state receives a proper equivalent for the relief extended, without unduly interfering with either local government, the forest owner, or the regular receipt of town revenue. All this the plan proposed by the commission, as the reviewer sees it, does most admirably and ingeniously; and he has space to do little more than express a regret that the reasons for some of the apparently roundabout provisions of the plan could not have been explained with the same lucidity which marks the description of the plan itself. It would have been worth while also to point out that the average town assessor, unauthorized and uncontrolled, extends the benefits of some such plan illicitly to owners of woodland. He does it against the law, against his oath of office—I assume there is an oath of office in Connecticut—and the illegality of the bounty which he confers robs it of half the public good which it might be made to do.

All of which leads to the one serious question which the reviewer entertains concerning the plan proposed: Does it offer sufficient inducement to the owner of woodland to accept its conditions? "Merchantable timber land," the report says, "in most cases is not over-taxed." Will not many of the owners of woodland prefer the illicit but oftentimes generous bounty of the tax assessor to the temperate relief offered by the commission's plan of classification? For it must be remembered that in this plan the interests of the state have been zealously safeguarded. In the case of forests of more than ten year's growth it provides that the town assessor shall value both lands and trees at the actual current value and that upon such full value a tax rate not to exceed one per cent shall be levied for fifty years, in addition to which the owner must pay a yield tax when the timber is cut. What inducement does such a plan offer to the owner, who can perhaps get more in an informal way from the town assessor himself than under the commission's plan? If the assessor, acting under the commission's plan, can be trusted to appraise the full value of land and timber, which valuations are to stand for fifty years, ought he not

be forced by appropriate state agency to tax all forests at full value whether they come under the plan or not?

Legislation along the line suggested by the commission was adopted by the legislature of Connecticut in the session of 1913. It would be interesting to know how large a proportion of the owners of woodland in Connecticut have accepted the opportunity offered.

T. S. ADAMS.

Various committees of the City Club of Milwaukee have coöperated in making a thorough and impartial investigation of the causes of an increase in the tax rate, amounting to \$9 per capita from 1904 to 1914. The results of the study are published in a bulletin (*Increased Taxes in Milwaukee, 1904-1914. Their Causes and their Significance*, 1914, pp. 25). Sixty-two per cent of the increase is traced to cost of city government and 29 per cent to the county, while only 9 per cent was applied to state purposes. An analysis of city expenditures by departments shows that 37.9 per cent of the increase went to the schools, 30.9 per cent to public works, 13.7 per cent to police and fire protection, the balance being distributed among parks, health, library and museum, and miscellaneous objects. Classifying the ten years increase by causes, it was found that 26.7 per cent is due to growth of population; 19.3 per cent is attributable to the cost of new services; while 54 per cent is assigned to increases in amount and quality of old services, to raises in wages, etc. Altogether it would seem to an outside observer that the report cannot fail to throw some light on a matter which has occasioned no little political controversy in Milwaukee. Indeed, almost any city could profit by having its expenditures for the last ten years scrutinized in the same way.

C. C. W.

The Bureau of the Census has published in abridged form *Financial Statistics of Cities Having a Population of Over 30,000: 1912* (Washington, Bulletin 118, 1914, pp. 83). This will be followed later by the eleventh annual report on this subject.

The Bureau of Corporations has promptly issued a *Special Report on Taxation Supplementing Previous Reports on the Taxation of Corporations and Covering the Tax Movement throughout the United States during 1912* (Washington, 1914, xxxi, 440). Several chapters are devoted to changes in the taxation of corporations since the publication of parts 1-4 of the bureau; to judicial decisions in 1912, including those of the Supreme and lower courts of the United States, and of state courts. These decisions are arranged by topics.

The *Report of the Special Tax Commission of Kentucky, 1912-14* (Frankfort, pp. 350) represents in large part the work of Professor Plehn, of the University of California, who was called in as tax expert. A preliminary report of this commission was made in 1913. This represents the full and final report.

The *Report of the Commission for the Revision of the Taxation System of the State of Maryland and City of Baltimore* (Baltimore, 1913, pp. 445) is largely devoted to the methods of assessment and collection of taxes. Abundant illustration is here given to show the lack of uniformity in the assessment in different counties. One chapter is devoted to the finances of Maryland, and another to sinking funds.

In the *Special Reports of the State Tax Commission of Arizona on Mining Taxation* (Phoenix, 1913, pp. 19), arguments are given for and against the adoption of the Michigan system of taxing mining property.

The Bureau of Municipal Research of Milwaukee has submitted a report on *Standardization of Salaries of the City of Milwaukee* (Nov. 4, 1913, pp. 96, charts). It is shown that there is no uniformity or standard in the fixing of salaries in the different departments. A new scale is proposed.

An interesting report has been prepared for the president of the Borough of Manhattan on *Municipal and Government Ice Plants in the United States and Other Countries*, by Jeanie Wells Wentworth (New York, Dec. 15, 1913, pp. 77). Information was collected by a questionnaire. Only one municipal ice plant was found in actual operation in the United States, namely, in Weatherford, Oklahoma. Several municipalities in England and Germany, and a large number in northern Italy own ice plants which have proved profitable. It is noted that there are a dozen or more states that already have home rule, which would enable them to own and operate municipal ice plants if so voted.

The *Twenty-Third Annual Report of the New York Tax Reform Association, 1913*, gives a general review of legislation throughout the country. A special paragraph is given to new sources of city revenue (29 Broadway, New York, pp. 7).

The Wisconsin Tax Commission has published a second edition of the *Wisconsin Income Tax Law*, with explanatory notes (Madison, December, 1913, pp. 71).

The State Tax Commission of Oregon has also made a reprint of

Laws Relating to Assessment and Taxation, 1913 (Salem, 1913, pp. 111).

Several compilations have recently been made of bonds which are exempt from federal income tax:

Index of Bonds Indicating Those Containing "Tax Free Clause," published by the Guaranty Trust Company of New York (140 Broadway, Jan., 1914, pp. 64). The preface states that this volume is compiled from statements of trustees and actual examination of over 3,000 mortgages including the more important issues of railroad, public utility, and industrial companies.

A List of Railroad Bonds and Clauses relating to Deduction and Retention of Federal or State Taxes, compiled by White and Kemble (56 Pine St., New York, pp. 185). This is based upon the examination of over 600 railroad mortgages. As there is so great a difference in the phraseology of legal instruments, there being over 700 different clauses, the compilers have added to the list of bonds extracts from the body of the bond.

The *Commercial and Financial Chronicle* has published a series of articles beginning with November 22, 1913, under the general title of "Bonds Which Are and Bonds Which Are Not Tax Exempt." Up to March 28, inclusive, 18 of these articles had been published.

Demography

The Bureau of the Census has issued the *Thirteenth Annual Report on Mortality Statistics, 1912* (Washington, 1913, pp. 382), with unusual promptness. No new states were added to the registration district in 1912. In order to secure early publication this volume omits the computation of rates, which will be given with the report for 1913.

In 1911 the legislature of New Jersey authorized the appointment of a commission to investigate into the conditions of distribution and industrial opportunities of immigrants in that state. The report has now been published (Trenton, 1914, pp. 201). The commission studied the industries in which there are a large number of immigrants. In the appendices are tables showing the total number of employees in 500 establishments, classified by nativity, sex, and selected group of industries.

Bulletin XVIII of the Fifth Census of Canada treats of *Ages of the People* (pp. 34).

The Immigration Restriction League has published *Immigration Figures for 1913* (Bulletin No. 62, pp. 4).

Social Problems

BENEVOLENT INSTITUTIONS, 1910. In a series of reports on institutions for the relief and care of the dependent and delinquent classes, the Bureau of the Census has issued *Benevolent Institutions, 1910* (Washington, 1913, pp. 411). The volume might well be called a directory, for it gives statistical data, information as to location, purpose, class of inmates, and financial status of institutions. These are classified under six heads: (1) Institutions for the Care of Children; (2) Societies for the Protection and Care of Children; (3) Homes for the Care of Adults, or Adults and Children; (4) Hospitals and Sanitariums; (5) Dispensaries; (6) Institutions for the Blind and the Deaf. The scope of the information is limited somewhat because of the use of the correspondence method in conducting the canvass. Difficulty was encountered in compiling the statistical data covering finances, especially in determining "running expenses" and "permanent improvement."

Probably the most important feature distinguishing the report from that for 1904 is its record of placement of children in homes. The conception of a family home for each child as the ideal solution of the dependent-child problem had made so little progress up to 1904 that a census investigator could not legitimately take cognizance of it. Interesting tendencies in other parts of the child welfare field may be gleaned, such as the extent to which the cottage system of housing institution children has been adopted. The method of presenting some of the data reveals the modern tendency to regard "wards of the state" as individuals, each with distinctive characteristics, rather than in the mass.

Tables show that 35 per cent of the total number of institutions are recipients of public aid, as distinguished from private donations; that 31.8 per cent of the total income of all institutions is from public appropriations, and that the highest average receipts per institution from any source are from such appropriations. There appears to be arising a realization that even where distress does not necessarily go so far as pauperism, it involves detriment, if not danger, to the welfare of the community, and that dependents of all classes may properly come within the scope of public supervision and control.

FRANK D. WATSON.

Insurance

The paper of Louis I. Dublin, statistician of the Metropolitan Life Insurance Company, read before the American Public Health Associa-

tion, September, 1913, on *Possibilities of Reducing Mortality at the Higher Age Groups* has been printed as a separate pamphlet. Emphasis is placed upon the need of greater municipal control of communicable diseases of early life, the prevention of the spread of venereal disease, the intemperate use of alcoholic beverages, the improvement of labor legislation, factory sanitation, and medical examination of employees.

The *List of Securities Held by Insurance Companies with Valuations Fixed as of December 31, 1913*, prepared for the National Convention of Insurance Commissioners, has been issued from the office of the State Insurance Commission of New York (Albany, 1914, pp. 774). This not only throws light upon the investments of insurance companies, but also provides data in regard to the valuation of municipal and state bonds.

The Association of Life Insurance Presidents has published two pamphlets in the series of "Betterment of Life Insurance Service," on *Bequeathing Our Debts*, a compilation of excerpts from newspapers following a discussion which was held at a recent meeting of the association. This relates to the evils which are following the increased practice of policy holders borrowing on their policies, and the consequent reduction of protection to widows and orphans. In the same series is also, *Are You Borrowing from Your Widow?* (pp. 33). The growth of the policy loan practice is statistically illustrated in an article by R. L. Cox. In 1912 the ratio of policy loans and premium notes to reserves was 16 per cent as compared with 6 per cent in 1900. It is estimated that not over 10 per cent of policy loans are ever repaid.

PERIODICALS

The REVIEW is indebted to Robert F. Foerster for abstracts of articles in Italian periodicals, and to R. S. Saby for abstracts of articles in Danish and Swedish periodicals.

Theory

(Abstracts by W. M. Adriance)

BODIN, C. *La notion de valeur*. Rev. d'Econ. Polit., Jan.-Feb., 1914. Pp. 18.

The first of a series of articles. It deals with the desires of men and the relation of economic goods to those desires.

BOURGIN, H. *Les espèces industrielles et la spécialisation originaire*. Rev. d'Hist. Econ., No. 4, 1913. Pp. 20.

A study of the natural history of industry. An attempt to trace an evolutionary order in the development and differentiation of industry.

BURRI, J. *Die Stellung des Handels in der nationalökonomischen Theorie seit Adam Smith*. Zeitschr. f. d. ges. Staatswis., No. IV, 1913.

COMBES DE PATRIS, B. *Anatole Leroy-Beaulieu et l'Ecole des sciences politiques*. Réf. Soc., Mar., 1914. Pp. 7.

An appreciation of Leroy-Beaulieu and his work.

GEHRIG, H. *John Stuart Mill als Sozialpolitiker*. Jahrb. f. Nat. Oek., III, 47, 2, 1914. Pp. 35.

HANEY, L. H. *The social point of view in economics*. II. Quart. Journ. Econ., Feb., 1914. Pp. 30.

A continuation of the study begun in the November number (1913) of this journal.

LEVY, R. G. *L'économie politique aux Etats-Unis*. Rev. Intern. du Com., June, 1913.

LORIA, A. *Réponse aux critiques de M. Turgeon*. Rev. d'Econ. Polit., Jan.-Feb., 1914. Pp. 12.

A reply to Turgeon's criticisms in the *Revue* (July-August and September-October) of Loria's theory of social evolution.

PIGOU, A. C. *The vagaries of modern political economy*. Quart. Rev., Jan., 1914.

A reply from Professor Pigou to Professor Nicholson's attack on *Wealth and Welfare*, with a brief rejoinder from Professor Nicholson.

POHLE, L. *Neue Darstellungen der Geschichte der Volkswirtschaftslehre*. Zeitschr. f. Socialwis., Jan., 1914. Pp. 16.

A review of two histories of economic thought, that by Fridrichowicz, and that by Gide and Rist. The work of the French collaborators is highly praised, the other book suffering greatly by comparison.

SMITH, J. A. *Further notes on some fundamental notions of economics*. Econ. Rev., Jan., 1914. Pp. 15.

A continuation. Deals with capital.

WICKSTEED, P. H. *Political economy in the light of marginal theory*. Econ. Journ., Mar., 1914. Pp. 22.

Presidential address to Section F of the British Association. A summary exposition of the marginal theory of value and distribution, with an estimate of the influence being exerted by the theory.

WILLIAMS, T. R. *Syndicalism in France and its relation to the philosophy of Bergson*. Hibbert Journ., Jan., 1914.

Economic History, United States

(Abstracts by E. L. Bogart)

ASHWORTH, J. H. *The Virginia mountaineers*. S. Atlantic Quart., July, 1913.

A correction of mistakes concerning the mountaineers of Virginia. The writer points out that they are not illiterate, isolated, nor backward.

BEARD, C. A. *Some economic origins of the Jeffersonian democracy*. Am. Hist. Rev., Jan., 1914.

In the same fashion as in his *Economic Interpretation of the Constitution*, the author points out that the first signs of party antagonism are to be found in the attitude of members of Congress on Hamilton's fiscal measures, especially on the assumption of the state debts, the votes on which are here carefully analyzed.

BROADHEAD, G. C. *Early railroads in Missouri*. Mo. Hist. Rev., Apr., 1913.

A brief note of the author's connection in 1852 with the Pacific Railroad Company, for which he acted as surveyor.

CALLENDER, G. S. *The position of American economic history*. Am. Hist. Rev., Oct., 1913. Pp. 17.

Economic history should provide a description and an explanation of the economic life of a country during its development. The writer points out the necessary preliminary work of investigation that needs to be done before a definitive economic history of the United States can be written.

DAY, C. *Commercial and industrial history in secondary schools*. Hist. Teacher's Mag., Jan., 1914. Pp. 7.

Opposes the teaching of economics in secondary schools, but advocates economic history as the best subject for purposes of instruction along economic lines.

HORACK, F. E. *The work of the thirty-fifth general assembly of Iowa*. Iowa Journ. Hist. & Pol., Oct., 1913. Pp. 55.

A detailed account of the legislation during 1913, much of which is economic in character.

JAMESON, J. F. *Typical steps of American expansion*. Hist. Teacher's Mag., Feb., 1914. Pp. 5.

Describes the methods of expansion by which Texas, Florida, and Oregon were acquired.

MILLER, G. J. *Some geographic influences in the settlement of Michigan and in the distribution of its population*. Bull. Am. Geog. Soc., May, 1913.

A brief discussion of the physical configuration, history of settlement, and present distribution of population—geographical, occupational, and racial.

NORMAN, D. *Chicago as a financial center*. Bankers Mag., May, 1913. Pp. 4.

Commercial importance of Chicago traced by its banking history.

PHILLIPS, U. B. *A Jamaica slave plantation*. Am. Hist. Rev., Apr., 1914. Pp. 16.

A detailed and valuable account of the administration of a sugar plantation from 1792 to 1796, based upon plantation records which came into the author's hands.

SCHUYLER, R. L. *Working toward a federal domain*. Pol. Sci. Quart., Sept., 1913.

The various steps taken by the English government, and by the American colonies and states, that led to the creation of a federal domain.

SINGER, C. *The early history of tobacco*. Quart. Rev., July, 1913.

SR. JOHN, L. H. *The present status and probable future of the Indians of Puget Sound*. Wash. Hist. Quart., Jan., 1914. Pp. 10.

The author thinks that drink and the Dawes act, which provided for citizenship and the allotment of tribal lands, are responsible for the deterioration of the Indian, but believes education will lead to improvement.

THOMPSON, C. M. *The monetary system of Nouvelle France*. Journ. Ill. State Hist. Soc., July, 1911.

The expansion of the fur trade necessitated the use of a better method of exchange than barter and a better medium than commodities. This was supplied in turn by certificates, some coin, and unauthorized issues of paper money.

WARE, M. W. *A hidden cause of the Mexican war*. Hist. Teachers' Mag., Mar., 1914. Pp. 4.

Suggests that the annexation of Texas was due to the deliberate creation by Texas of a large debt, most of which was held in the United States, and that the holders of these depreciated securities allied themselves with the slave holders to force the annexation, which led to the war with Mexico.

WINSTON, J. E. *Pennsylvania and the independence of Texas*. Southwestern Hist. Quart., Jan., 1914. Pp. 21.

Contains some account of colonization in Texas by Pennsylvanians, their attitude toward slavery, and other economic matters.

Marking the Mormon trail. Annals of Iowa, Jan., 1914. Pp. 2.

Emphasizes the early commercial importance of this route and urges that it be commemorated by markers.

Observations of London merchants on American trade, 1783. Am. Hist. Rev., July, 1913. Pp. 11.

Views of London merchants carrying on trade with America on

the commercial treaty between England and the United States proposed by Pitt in 1783. An important document printed here for the first time.

Some of the expenses in the founding of eastern Pennsylvania. Penn. Mag. Hist. & Biog., Jan., 1914. Pp. 5.

Expenses of clearing the streets and digging a well in 1752, with a reprint of the accounts.

Economic History, Foreign

(Abstracts by Clive Day)

ARENS, F. *Wilhelm Servat von Cahors als Kaufmann zu London (1273-1320)*. Vierteljahrschr. f. Soz. u. Wirtschaftsgesch., No. 4, 1913. Pp. 37.

An important contribution to the history of commercial organization, illustrating the manifold activities of a King's Merchant of the period.

BAECHTOLD, H. *Ueber den Plan einer Edition der deutschen Zolltarife des Mittelalters*. Vierteljahrschr. f. Soz. u. Wirtschaftsgesch., No. 4, 1913.

Discussion of the plan of the Historical Commission of the Royal Bavarian Academy to publish collections of medieval account books and toll tariffs, with suggestion of principles to be followed and of probable benefits to be attained.

BLAND, A. E. *The establishment of home staples, 1319*. Eng. Hist. Rev., Jan., 1914. Pp. 4.

Documentary contribution.

BOURGIN, G. *Mutualisme et coopération sous le Directoire et la Consulat*. Rev. d'Hist. Econ., No. 4, 1913. Pp. 9.

Descriptions from the archives of a society of carpenters for sick benefits, and of coöperation in cheese making.

BRINKMANN, C. *Der Beginn der neueren Handelsgeschichte und das Aufkommen der Seemächte*. Hist. Zeitschr., No. 2, 1914. Pp. 20.

A critical survey of the rise and fall of the European states after 1500, seeking the explanation in the organic internal changes rather than in the superficial phenomena of international conflicts.

BRODNITZ, G. *Die Stadtwirtschaft in England*. Jahrb. f. Nat. Oek., Jan., 1914. Pp. 39.

Sketch of economic and constitutional development of English towns in the Middle Ages, emphasizing the contrast with German conditions due particularly to the difference in the national political organization. "In Deutschland ist die Stadtwirtschaft der Ausdruck eines Gegensatzes zum Lande; in England ist sie die besondere Form der staatlich organisierten Verkehrswirtschaft."

COHEN, I. *The economic activities of modern Jewry*. Econ. Journ., Mar., 1914. Pp. 16.

A survey of the Jews in many countries, illustrating their present trend to manufactures, agriculture, and the professions.

DIETZ, F. C. *Industry in Pisa in the early fourteenth century.* Quart. Journ. Econ., Feb., 1914. Pp. 21.

A description of gild organization, of the regulation of industry, and of the domestic or commission system in the woolen trade, based chiefly on the printed *Statuti* of Pisa. "The gild organization, though mature, was arrested in its development" by the preponderance of commercial interests.

HARMS, B. *Volkswirtschaft und Weltwirtschaft.* Weltwirtsch. Archiv, Jan., 1914. Pp. 14.

A reply to criticism by Diehl. Compare articles by Lotz and Mitscherlich below.

ISNARD, E. *Mémoires et documents pour servir à l'histoire du commerce et de l'industrie en France: l'industrie chapelière à Marseille au XVIII^e siècle.* Rev. Intern. du Comm., Dec. 31, 1913. Pp. 18.

A good picture of the organization of the late guilds in France, of government regulation, and of industrial decline closely connected with the course of foreign trade.

LOTZ, W. *Zum Streit über die Weltwirtschaftslehre.* Archiv f. Sozialwis., No. 1, 1914. Pp. 6.

Brief criticism of the attempt of Harms (*Volkswirtschaft und Weltwirtschaft*, 1912) to justify a further division of the field of economics among academic specialists, with illustration of some of Harms' errors.

L. T. H. L. *The wealth of Germany.* Nation, Apr. 2, 1914. P. 1.

MATSCHOSS, C. *Geschichte der Technik. Eröffnungsbericht.* Archiv f. Kulturgesch., No. 4, 1914. Pp. 14.

Survey of representative literature of recent years.

MAUNIER, R. *Les idées économiques d'un philosophe arabe au XIV^e siècle: Ibn Khaldoun.* Rev. d'Hist. Econ., No. 4, 1913. Pp. 10.

The author, who is professor in the Cairo Law School, finds in the Arab historian anticipations of later views on the production of wealth, and the determinants of price.

MITSCHERLICH, W. *Die Weltwirtschaft als Wirtschaftsstufe.* Zeitschr. f. d. ges. Staatswis., Jan., 1914. Pp. 21.

Criticism of Harms (cf. Lotz, above) combined with independent contributions to the theory of stages of economic progress.

PIRENNE, H. *The stages in the social history of capitalism.* Am. Hist. Rev., Apr., 1914. Pp. 21.

A substantial contribution, of which the main thesis is that in every period marked by the expansion of capitalist enterprise, since the early Middle Ages, the leaders have not sprung from the existing capitalist class, but have come in from outside social groups, while the previous capitalists retired.

POHLE, L. *Das Wirtschaftsjahr 1913 und die gegenwärtige Wirtschaftslage.* Zeitschr. f. Socialwis., Mar., 1914. Pp. 15.

The year 1913 appears significant as marking the crest of the wave of business activity, and the turn toward depression.

PUDOR, H. *Einige Vorschläge zu einer Materialschutzgesetzgebung der deutschen Industrie*. Zeitschr. f. d. ges. Staatswis., Jan., 1914. Pp. 27.

Discussion of the existing law in Germany regarding imitations of silk, precious metals, and the like; the need for its reform.

SCHMOLLER, G. *Die soziale Bewegung in England im Lichte der marxistischen Klassenkampfidee*. Schmollers Jahrb., No. 1, 1914.

A summary and criticism of M. Beer's, *Geschichte des Sozialismus in England*, with a liberal contribution of the reviewer's own opinions on the significance of English social history from 1770 to 1912. Sharp and sometimes bitter criticism of English politics and policy, combined with generous appreciation.

SIEBER, S. *Nachbarschaften, Gilden, Zünfte und ihre Feste*. Archiv f. Kulturgesch., No. 4, 1914. Pp. 28.

Sociological study, illuminating an aspect of medieval groups which economists are apt to underrate.

SKELTON, O. D. *The political year 1913 in Canada*. Pol. Quart., Feb., 1914. Pp. 20.

Including current economic issues.

TAWNEY, R. H. *The assessment of wages in England by the justices of the peace*. Vierteljahrschr. f. Soz. u. Wirtschaftsgesch., No. 4, 1913. Pp. 31.

Continuation. (Cf. March number, p. 232.) The author's conclusion is that in the textile trades the wage assessment was meant to set a minimum, that in its application to agricultural labor its object and effect were to set a maximum, but that it was evaded so readily that it could not work much injustice. Rogers' idea of class tyranny is refuted.

VINCI, F. *La produzione solfifera Siciliana con speciale riguardo al Consorzio Obbligatorio vigente*. Rif. Soc., Oct.-Nov., 1913. Pp. 21.

Fewer employees, higher wages, adoption of more advanced processes, and an output only slightly diminished are the notable changes in the Sicilian sulphur industry in the last few years.

WALTEMATH, K. *Die wahre Grundlage der Grösse der britischen Industrie*. Zeitschr. f. ges. Staatswis., Jan., 1914. Pp. 6.

The author credits to protection rather than free trade the development of British manufactures.

WAETJEN, H. *Das Judentum und die Anfänge der modernen Kolonisation*. Vierteljahrschr. f. Soz. u. Wirtschaftsgesch., No. 4, 1913. Pp. 41.

Continuation. (Cf. March number, p. 232.)

VON WIESE, L. *Die gegenwärtige Stellung Ceylons in der Weltwirtschaft im Vergleich mit Vorder- und Hinterindien*. Weltwirtsch. Archiv, Jan., 1914. Pp. 23.

A political and economic description, with statistical extracts, and including treatment of the present and future of German trade.

Economic Geography

(Abstracts by E. V. D. Robinson)

CHADWICK, C. N. *Report on water conservation*. Mo. Bull. N. Y. Chamber Commerce, Jan., 1914.

National Conservation Congress concerned chiefly with water powers. Interests fighting for state rights controlled many delegates, but large majority for national control. Indispensable to avoid conflicts of uses and of interest. Already legal conflict between riparian rights and prior appropriation and between states over interstate streams.

ECKEL, E. C. *New light on iron reserves of the world*. Ir. Trd. Rev., Jan. 15, 1914.

EIGENMANN, C. H. *The fishes of South America*. Bull. Pan-Am. Union, Dec., 1913.

Zoölogical rather than economic. Use of dynamite has greatly diminished supply of fish.

FLORANCE, J. E. *The Alaskan coal fields. Their possibilities and their plight*. Engg. Mag., Mar., 1914.

A plea for turning all Alaskan resources over to private capital for exploitation, without restrictions of any sort.

HENNY, D. C. *Federal vs. private irrigation*. Engg. News, Jan. 15, 1914.

Criticisms of reclamation service spring from desire to secure release from stipulated payments for irrigated lands. Expense relatively high for recent projects, private as well as public, because easier were undertaken first. Eight-hour law has also increased labor cost 20 per cent.

JOEHLINGER, O. *Die Diamanten Südwestafrikas*. Schmollers Jahrb., No. 1, 1914.

After some 450 claims had been taken up, the government withdrew most of the remainder from entry, partly for fiscal reasons, partly to insure large-scale operation, and hence greater economy.

LECLERC, J. A. and YODER, P. A. *Environmental influences on the physical and chemical characteristics of wheat*. Journ. Agr. Research, Jan., 1914.

Neither physical nor chemical characteristics hereditary. Controlled mostly by environment; weight dependent on climate rather than soil; so also protein content.

OSGOOD, E. P. *The answer to "What is the matter with irrigation."* Engg. News, Feb. 19, 1914.

Working capital of \$6,000 needed for 80-acre irrigation farm, and most settlers lack it. Government should substitute 20 or 30-year payments for 10; and possibly either improve land for settler or loan him \$500 for each 10 acres.

PERCIVAL, J. B. *Resources of Dutch Guiana*. Bull. Pan-Am. Union, Dec., 1913.

WINCHELL, H. V. *American mining industry and its future prospects*. Engg. Mag., Feb., 1914.

Development due to "liberal" land laws, giving resources for nothing to private interests. This policy should be continued, together with provision for "locations" in advance of discovery if necessary. Idea is apparently to exploit everything as rapidly as possible.

Agricultural Economics

(Abstracts by John Lee Coulter)

ARNOLD, J. H. *Crew work, costs, and returns in commercial orcharding in West Virginia.* Bull. 29, U. S. Dept. Agr., Nov., 1913. Pp. 24.

BENNETT, C. M. *The cost of raising a dairy cow.* Bull. 49, U. S. Dept. Agr., Jan., 1914. Pp. 23.

Detailed statistics and interpretation of same from a typical Wisconsin farm, with important conclusions.

DE BRAY, A. J. *La main d'oeuvre agricole.* Rev. Econ. Canadienne, Nov., 1913. Pp. 7.

A comparative study bringing in selected European countries, Canada, the United States, Argentine, Australia, etc., and citing data from 1889 to 1910.

BUSSARD, O. *Les cercles de fermières.* Mus. Soc., Mém. & Doc., Nov., 1913. Pp. 15.

A review of the meetings at the Exposition at Ghent, held in June, 1913.

CHURBUCK, L. *Possible agricultural development in Alaska.* Bull. 50, U. S. Dept. Agr., Jan., 1914. Pp. 31.

COX, H. *The coming land tyranny.* Edinburgh Rev., Jan., 1914.

DANNEFELT, H. J. *Agricultural credit in Sweden.* Mo. Bull. Econ. & Soc. Intelligence, Nov., 1913.

GEORGE, L. *Agricultural wages and the suggested minimum.* Economist, Nov. 1, 1913.

GRABEIN. *Causes and effects of the recent want of success in the department of coöperative agricultural credit in Germany and the lessons to be learned from it.* Mo. Bull. Econ. & Soc. Intelligence, Dec., 1913.

GREIG, W. J. *The tenures relating to small holdings.* Contemp. Rev., Dec., 1913.

HAYMAKER, K. V. *Farm loans by building associations.* Address before Ohio Bldg. Asso. Leagues, Oct., 1913. Pp. 12.

A summary of the present activities of building and loan associations and their possibilities.

HOPKINS, C. G. *The Illinois system of permanent fertility.* Pop. Sci. Mo., Jan., 1914. Pp. 12.

HOWELL, E. F. *Report of the United States league committee on farm land credits.* Am. Bldg. Assoc. News, Dec., 1913. Pp. 7.

Brief statement by a representative of the Building and Loan Associations of how they expect to take care of the farm mortgage business.

LUBIN, D. *The Landschaft—"Coöperative rural credit."* Bull. Inter. Inst. of Agr., Sept., 1913. Pp. 24.

Comments on sundry rural credit systems and proposals for legislation in the United States.

MACDONALD, W. *A rainless wheat.* Nineteenth Cent., June, 1913.

DE MARCILLAC, A. *Les syndicats agricoles et la loi du 21 mars 1884.* Réf. Soc., Nov. 16, 1913. Pp. 17.

Extracts from and summary of book on same subject by same author.

MARRIOTT, J. A. R. *The English land system—IV: The future.* Fortn. Rev., Mar., 1914.

MAUER, H. *Wilhelm von Humboldt und die Entschuldung des ländlichen Grundbesitzes.* Schmollers Jahrb., Nov., 1913.

MENY, G. *Les conditions d'existence du jeune salarié agricole en France.* Réf. Soc., Nov. 1, 1913. Pp. 8.

A careful review of articles and other literature bearing upon the question, with numerous citations and list of references.

DE MOLINARI, M. *Mouvement agricole.* Journ. des Econ., Nov. 15, 1913.

NEUMANN, A. *Lohngestaltung auf dem Lande im Zusammenhange mit agrarischen Entwicklungen.* Schmollers Jahrb., Nov., 1913.

NEWLANDS, A. *Industrialism and the land problem in the Scottish Highlands.* Chamber's Journ., Jan., 1914.

PIGOU, A. C. *A minimum wage for agriculture.* Nineteenth Cent., Dec., 1913.

PILKINGTON, H. *What coöperation has done for Ireland.* Intern. Rev. Comm. & Indus., Mar., 1914. Pp. 8.

A brief summary of what the coöperative movement has done for Ireland and how it has influenced other lands, with brief mention of some of the leaders.

RAMSAY, J. M. *Small holdings in Scotland and the effects of recent legislation regarding them.* Mo. Bull. Econ. & Soc. Intelligence, Feb., 1914.

RIBET, J. *L'Egypte et l'association agricole.* Mus. Soc., Mém. & Doc., Oct., 1913. Pp. 23.

A detailed study of the status of agricultural associations in Egypt, together with copy of law.

ROWNTREE, B. S. *Rural land reform.* Contemp. Rev., Nov., 1913.

SCHULTZ, A. *Einwände und Zugeständnisse.* Sozial. Monatsh., Mar. 12, 1914.

ZEYS, L. *Les industries rurales en France. Quelques industries purement féminines.* Réf. Soc., Feb. 1, 1914.

The coöperative movement in Wisconsin. Mo. Bull. Econ. & Soc. Intelligence, Feb., 1914.

General outlines of the new Russian land reforms. Mo. Bull. Econ. & Soc. Intelligence, Nov., 1913.

- Indiana land banks.* Am. Bldg. Assoc. News, Dec., 1913. Pp. 4.
- The legal status of farmers' coöperative associations.* Bull. Bur. Econ. & Soc. Intelligence, Oct., 1913.
- Recent development of the coöperative institutes of land credit for rural holdings in Germany.* Mo. Bull. Econ. & Soc. Intelligence, Feb., 1914.
- The rural problem.* Nineteenth Cent., Nov., 1913. Pp. 53.
- Papers by the Marquess of Ailesbury, Mr. Robertson-Scott, and Mr. Mallock.
- The Work of the "Boerenbond" (Peasants' League) in 1912.* Mo. Bull. Econ. & Soc. Intelligence, Nov. 1913.

Commerce

(Abstracts by M. T. Copeland)

- BECKMANN, F. *Getreideausfuhrvergütung und nationale Futterbeschaffung.* Jahrb. f. Nat. Oek., III, 47, 1, 1914.
- Defends the German system of rebate certificates for grain exports.
- BLACKNELL, L. L. *Imperial sources of supply of foodstuffs and raw products for industries.* Intern. Rev. Comm. & Indus., Mar., 1914.
- Shows that a large proportion of the British imports of raw materials and foodstuffs is supplied by the colonies, and considers prospects for further increase.
- COLE, S. D. *The international maritime committee and its work.* Intern. Rev. Comm. & Indus., Jan., 1914.
- DENNING, A. D. *The recent trend of India's import trade.* Intern. Rev. Comm. & Indus., Jan., 1914.
- Detailed statistical analysis.
- ECKEL, E. C. *The American steel trade under competition.* Engg. Mag., Feb., 1914.
- The principal effect of the reductions in import duties on iron and steel will be to check advances in American prices during boom periods.
- JOHNSON, A. S. *Commerce and war.* Pol. Sci. Quart., Mar., 1914.
- In the past, commercial rivalry has been a most potent cause of war. But the rivalry was for the lucrative trade in semi-civilized regions or with oriental countries having a different scale of values. With the progress of civilization and almost universal extension of the occidental value system, commerce now seeks peace.
- KILLIK, S. H. M. *The Argentine meat trade.* Intern. Rev. Comm. & Indus., Jan., 1914.

In 1912 the competition between the British and American companies became severe, and excessively large quantities were shipped to England. Prices were often unremunerative. The opening of the United States markets to foreign meat will probably relieve the situation.

LANSBURGH, A. *Krisen-Erreger*. Die Bank, Jan., 1914.

Progress is the most fatal cause of crises. The adoption of new inventories and the most improved machinery by new establishments and, in self-production, also by old establishments requires a heavy increase in fixed investment and the loss of the machinery. Competition is intensified and the result is a crisis.

LIVERSEDGE, A. J. *The United States and the world's food supplies*. Intern. Rev. Comm. & Indus., Jan., 1914.

The decline in the exports of wheat, pork, and other food products from the United States "may go far to explain the advances in the cost of food which have been experienced throughout the world during late years."

MAGNAN, L. J. *Convient-il de pour suivre la conclusion d'un accord international tendant à adopter une définition uniforme du poids brut et du poids net pour l'application des droits de douane?* Rev. Intern. du Comm., Dec. 31, 1913.

The terms "net weight" and "gross weight" are not defined uniformly in the tariff legislation and administrative regulations of different countries. The result is uncertainty, confusion, and, at times, injustice, which should be removed by international agreements. The actual interpretation of these terms in the leading countries of the world are stated.

MEAD, S. C. *Methods of commercial organizations*. Greater N. Y., Feb. 23, 1914.

Reprint of an address of the second annual convention of the Chamber of Commerce of the United States. Outlines certain broad principles.

MOSS, L. DE G. *Iron and steel making in America; its fundamentals and its future*. Engg. Mag., Feb., 1914.

An excellent explanation of the methods and costs of transporting materials and of some of the mechanical methods in use in the United States.

PRENNER, H. *Die Gewerbe- und Kaufmannsgerichte in der Beurteilung seitens des 31. Deutschen Juristentags und der Deutschen Handwerks- und Gewerbekammern*. Ann. f. Soz. Pol., III, 3-4, 1914.

A strong defense of these special courts.

ROBERTSON, D. H. *Some material for a study of trade fluctuations*. Journ. Royal Statist. Soc., Jan., 1914.

Presents suggestively some industrial statistics on the influence on trade fluctuations of the length of time required for providing new instruments of production.

ROGERS, E. S. *Predatory price cutting as unfair trade*. Harvard Law Rev., Dec., 1913.

Presents in succinct form a strong case for the legalization of price maintenance. A manufacturer is entitled to the good-will accruing from the reputation of his product, often secured in part by heavy

expenditures for advertising. A fair retail price fixed uniformly helps to obtain broad distribution. Hence when a big retailer, in order to trade on the reputation of another, cuts this price, perhaps below cost, the manufacturer's distribution suffers and his good-will is damaged.

ROSCHER, M. *Ueber das Wesen und die Bedingungen des internationalen Nachrichtenverkehrs*. II. Weltwirtsch. Archiv, Jan., 1914.

A rather colorless essay on the development of the means of communication.

SCHMIDT, L. *The commercial and economic influence of the London shipping market on German export trade*. Intern. Rev. Comm. & Indus., Feb., 1914.

A half century ago London was the distributing point for a large volume of German exports, including practically all of those to British colonies. Since then improved means of communication and, to some extent, the British "Merchandise Marks Act" have stimulated the growth of direct trade.

WIGHT, W. F. *South American fruit production*. Bull. Pan-Am. Union, Jan., 1914.

Describes present conditions and suggests some future possibilities.

ZOLLINGER, W. *Die Bilanz der internationalen Wertübertragungen*. Weltwirtsch. Archiv, Jan., 1914.

Elucidates the theory of the relation of international credits to the balance of payments.

American and British navigation laws compared with the terms of the LaFollette Seamen's bill. Nation's Business, Jan. 15, 1914.

A detailed comparison.

Costs in the United States and Germany compared. Sugar, Feb., 1914.

Controversial reply to an article in "a leading farm journal" concerning the comparative costs of producing beet sugar in the United States and Germany.

The relation of government to commerce. Intern. Rev. Comm. & Indus., Mar., 1914.

A plea for an extension of governmental efforts, now insufficiently supported and inadequately organized, to aid the expansion of Britain's foreign trade.

Railways

(Abstracts by Ernest R. Dewsnup)

ACWORTH, W. M. *Considerations in railway rate making*. Ry. Age Gaz., Feb. 27, 1914. Pp. 1½.

ALLIX, G. *Les chemins de fer russes*. Journ. d. Transports, Mar. 21, 1914.

What is best suited to Russia is a reasonable association of the state system and the system of concessions to private companies, leaving to the state the construction and working of certain main lines,

frontier lines, and lines regarded as of peculiarly strategic importance, and leaving to the companies lines of economic or regional interest.

ALLIX, G. *Opération blanche*. Journ. d. Transports, Jan. 10, 1914. Pp. 10.

A merciless criticism of the state management of the finances of the French western railway.

ALLIX, G. *Le régime des chemins de fer suisses*. Journ. d. Transports, Mar. 7, 1914. Pp. 2½.

A review of the second volume of Professor Georges Gariel's work on economic centralization in Switzerland. Attention is drawn to the autonomous organization of the Swiss federal railways and to the measure in which the nationalized system has failed to fulfill the promises made in 1897 by the advocates of purchase. Notwithstanding this, Professor Gariel believes that the Swiss system may be compared to its advantage with the state railway systems of neighboring countries.

BATES, O. *Railway valuation and rate making*. Ry. Rev., Mar. 14, 1914.

Of main interest is an argument for the inclusion of depreciation funds in the valuation of physical property on a depreciated basis and for the allowance of a fair return on both.

BAUER, J. *The Minnesota rate cases*. Pol. Sci. Quart., Mar., 1914. Pp. 27.

It is urged that the decision of the Supreme Court was not necessitated by the clear language of the Constitution nor by a definite line of previous decisions, nor does it meet reasonably the purpose for which the Interstate Commerce Act was passed.

BONNER, F. A. *State railway operation in western Australia*. Ry. Age Gaz., Feb. 20, 1914. Pp. 1½.

A criticism of governmental management.

BUSFIELD, J. L. and ABBOTT, W. H. *Railway economics*. Can. Engr., Dec. 4, 1914.

Discusses questions affecting location, construction, and operation, particularly as applied to the railways of Canada.

CORSANEGO, C. *L'industria ferroviaria in Italia*. Riv. Intern., Dec., 1913. Pp. 17.

Concludes the author's discussion of the chief problems of the Italian railways and of the ways of meeting them.

FAES, E. *Die Berücksichtigung der Entwertung des stehenden Kapitals durch den Erneuerungsfonds bei den schweizerischen Hauptbahnen vor ihrer Verstaatlichung*. I. Archiv f. Eisenbahnw., Jan.-Feb., 1914. Pp. 49.

After briefly treating of conditions prior to the law of 1896, the writer analyzes, in great detail, the provisions concerning depreciation, in effect after the passing of that law, taken in chronological order.

FIENHABER. *Zur Vorgeschichte der kurhessischen Eisenbahnen*. Archiv f. Eisenbahnw., Jan.-Feb., 1914. Pp. 40.

New and interesting data concerning the movement for railway building in Hesse between 1832 and 1838.

GODFREY, G. C. *Railway organization and operation in India*. Ry. Rev., Jan. 17, 1914. Pp. 2½.

HAND, G. C. *Economic theory and railway rate regulation*. Ry. Age Gaz., Feb. 27, 1914. Pp. 6.

Competition is more influential on rates than is generally believed. Discusses the effect of commission control upon rates and the movement of rates from 1899.

HERRIN, W. F. *Government regulation of railways*. Ry. Wld., Jan., 1914. Pp. 5.

Rates that are not unjustly discriminatory and permit free movement of traffic should not be regarded as unreasonable, even though they produce large returns to the railways.

HILD, F. W. *Effect of rate of fare on riding habit*. Elec. Ry. Journ., Jan. 31, 1914. Pp. 5.

There are so many more important factors than fares which stimulate riding that its effect is practically negligible.

HURD, E. C. *Re-appraisal of railway property in Nebraska*. Ry. Age Gaz., Feb., 6, 1914. 1914. Pp. 4½.

Methods followed in the re-appraisal are described, and the results obtained in connection with the properties of three of the leading railways of the state, as also those for the railways of the state as a whole are set out in considerable detail.

INTERSTATE COMMERCE COMMISSION. *Accident Bulletin No. 48: yearly records*. Ry. Age Gaz., Mar. 6, 1914. Pp. 2.

During the year ending June 30th, 1913, 849 persons (181 being passengers) were killed, and 15,997 (8,662 being passengers) were injured in train accidents within the United States. In general, 1913 shows an inferior record to that of 1912.

INTERSTATE COMMERCE COMMISSION. *Argument on bituminous coal rates east*. Ry. Rev., Feb. 28, 1914. P. 1.

Brief outline of argument in hearing before the commission in which particular emphasis was laid upon cost of service. The statistician of the Pennsylvania R. R. stated that 60 per cent of the total operating expenses of that road can be allocated to the passenger and freight services (*Alpha Portland Cement Co. v. B. & O. et al.*, I. C. C. Docket Nos. 5919, 5920).

INTERSTATE COMMERCE COMMISSION. *The Chicago, Milwaukee and St. Paul accounting case*. Ry. Age Gaz., Mar. 13, 1914. Pp. 3½.

Text of the opinion in which the C., M., and St. P. Railway is accused of padding its income and, in connection with the Puget Sound extension, of inflation of capital.

INTERSTATE COMMERCE COMMISSION. *The industrial railways case*. Ry. Age Gaz., Jan. 30, 1914. Pp. 3½.

An important opinion in which the allowances paid by trunk line railways to industries on their rails that own and operate plant railways are declared to be unlawful.

INTERSTATE COMMERCE COMMISSION. *The St. Louis and San Francisco receivership*. Ry. Age Gaz., 1914. Pp. 4.

Abstracts from the report of the commission in which is criticised the financial policy of the Frisco in acquiring new lines at prices greatly in excess of construction costs, in selling its funded debt securities at extravagant rates of discount, in investing in stocks of industrial companies on which no dividends have been paid, in assuming heavy fixed charges for its Texas lines and the Chicago and Eastern Illinois far greater than its returns therefrom, and in paying excessive charges upon the investment in and use of terminal and coal properties.

LAVIS, F. *The railways of the Argentine Republic*. Ry. Age Gaz., Mar. 27, Apr. 3, 1914. Pp. 13.

Illustrated; and for a brief survey, very complete. At the close of the second article, a summary of the national railway law is given.

LAWSON, W. R. *The new railway régime*. Finan. Rev. Rev., Mar., 1914. Pp. 13.

Refers to the recent appointment of an American to the general managership of the Great Eastern Railway, the nature of the new annual reports, the financial strength of the National Union of Railwaymen.

LEVY, G. D. *Improving movement of freight cars*. Ry. Age Gaz., Jan. 23, 1914. Pp. 2.

An explanation as to why car mileage per day is small, with suggestions for increasing it.

LIVINGSTON, L. *Great railway schemes under construction or projected*. Intern. Rev. Comm. & Indus., Feb., 1914. Pp. 14.

Briefly describes the great railway projects of the day in Canada, Australia, Africa, Persia, and Siberia.

LYFORD, W. H. *The complicated terminal problem of Chicago*. Ry. Age Gaz., Mar. 20, 1914. Pp. 2½.

A discussion of the proposed operation of clearing yards and less-than-carload clearing-house. On some classes of less-than-carload freight shipped, say, from Pittsburgh to Milwaukee by way of Chicago, the cost of handling the freight within the city limits of Chicago exceeds the gross revenue charged for the entire transportation from Pittsburgh to Milwaukee.

MARVIN, J. S. *A shipper's view of car pooling*. Ry. Age Gaz., Mar. 6, 1914. Pp. 1½.

Legal tender equipment, on box cars, cannot be effectively regulated by per diem rule 19 of the American Railway Association because the practice of the home route in the case of box cars is an economic waste, from which it has developed in practice that there is in effect today a pool of legal tender equipment, but without regulation, and in its results unjust in times of car shortage to originating lines which have provided their quota of cars.

MEYER, B. H. *Certain considerations in railway rate-making.* Ry. Wld., Jan., 1914. Pp. 4.

The valuation-of-the-property and cost-of-service factors as elements of future rate making are emphasized, and the desirability of a further development of cost accounting is urged.

MONKSWELL. *British railways and others: a comparison.* Intern. Rev. Comm. & Indus., Feb., 1914. Pp. 6.

PAYNE, J. L. *Remarkable railway progress in Canada.* Ry. Age Gaz., Feb. 6, 1914. Pp. 3½.

PROUTY, C. A. *Railway valuation.* Ry. Wld., Mar., 1914. Pp. 5.

While the problem of establishing railway rates will not be solved by the federal valuation, it will be enormously simplified. It can be known with certainty whether the general level of rates is or is not too high, and in establishing the charges to be observed by a single carrier, even in fixing the rate upon a single commodity, it will be of much benefit to know the value of the property involved. See also *World's Work* for April.

PROUTY, C. A. *Should commerce commission initiate rates?* Ry. Age Gaz., Jan. 23, 1914. Pp. 2½.

The commission should be given the power to initiate rates. Stability and uniformity are more desirable than elasticity.

RATHGEN, B. *Die Eisenbahnpolitik Frankreichs in Nordafrika.* Schmollers Jahrb., No. 1, 1914. Pp. 20.

A review summarizing the information contained in A. Schander's volume on French railway policy in northern Africa. The Trans-Saharan and Trans-African railway projects receive due attention.

ROBERTSON, W. A. *Fundamental principles touching upon the proposed advances in freight rates.* Ry. Wld., Jan., 1914. Pp. 3.

The commission should make sparing use of its great powers over rate movements.

SEYDEL. *Wohlfahrtseinrichtungen der preussisch-hessischen Eisenbahngemeinschaft im Jahre 1912.* Archiv f. Eisenbahnw., Jan.-Feb., 1914. Pp. 73.

The customary annual presentation of the statistics of the Prussian railway benefit institutions.

SHOWALTER, W. J. *Railway mail pay.* Forum, Apr., 1914.

THOMPSON, D. *American railways.* N. Am., Apr., 1914.

WILLARD, D. *Why eastern railways need higher freight rates.* Ry. Age Gaz., Apr. 3, 1914. Pp. 2.

The Alaska railroad law. Ry. Age Gaz., Mar. 20, 1914. P. 1.

Text of the law authorizing the government to construct up to 1,000 miles of railway in Alaska, at a cost of not more than \$35,000,000, and to lease or operate the same.

Appeal to President Wilson for express service. Greater N. Y., Mar. 2, 1914. Pp. 2.

The Merchants' Association requests the President and the Postmaster General, on behalf of business men, not to permit the necessary facilities furnished by the express companies to be eliminated by unwise extension of the parcel post.

Banker's profits in New Haven financing. Ry. Age Gaz., Mar. 13, 1914. P. 1.

From 1894 to 1914, J. P. Morgan & Co. took part in the handling of New Haven and subsidiary company securities of the par value of \$333,000,000, from which, so the firm avers, it realized a total net profit of approximately \$350,000.

Commission's investigation of private car lines. Ry. Age Gaz., Jan. 30, Feb. 6, 1914. Pp. 8½.

The opening evidence. A number of important exhibits are given, covering ownership, financial returns and mileage performance of private cars. The testimony of representatives of refrigerator, livestock, etc., car lines is reported.

Compensation of labor on British and American railways. Ry. Wld., Jan., 1914. Pp. 2.

Cost of full crew laws. Ry. Age Gaz., Apr. 3, 1914. P. ½.

The special committee (of the American Railway Association) on the relation of railway operation to legislation reports that on 98 roads the total estimated yearly cost of complying with these laws is \$6,800,729.

General business endorses the proposed increase in freight rates. Ry. Wld., Feb., 1914. Pp. 71.

Presents 385 replies from state governors, mayors, commercial organizations; 215 in favor of an increase, 51 opposed, and 148 uncertain.

"Impartial" state commissions. Ry. Age Gaz., Mar. 13, 1914. P. ¾.

Criticises the appearance of members of state railway commissions as parties to the proceedings concerning rate advances before the Interstate Commerce Commission.

Mr. Thorne and Senator Kenyon on government ownership. Ry. Age Gaz., Jan. 23, 1914. Pp. 1½.

The nationalisation of railways. Facts Against Socialism, Feb., 1914. Pp. 4½.

Extracts from English periodicals adverse to nationalization.

Railway statistics. Archiv f. Eisenbahnw., Jan.-Feb., 1914.

Algeria-Tunis, 1910; Austria, 1910; Baden, 1912; Brazil, 1911; Canada, 1912; Saxony, 1912; South Africa, 1911.

Rapid transit progress in London. Elec. Ry. Journ., Feb. 7, 1914. Pp. 5.

The growth of traffic and facilities both overground and underground, is described.

The rate advance hearing. Ry. Age Gaz., Feb. 6, 20, 27, Mar. 13, Apr. 3, 1914. Pp. 8.

Report of the evidence. In the *Gazette* for April 3 appears an

abstract of a statement made by the commission through Mr. Brandeis concerning free storage and unloading and loading allowances at leading eastern cities. (See also *Railway Review*, April 4.)

Studies in operation—St. Louis and San Francisco. Ry. Age Gaz., Mar. 13, 1914. Pp. 7.

Explains the improved results in freight train and car loading obtained through an educational campaign.

The void in freight cars. N. Y. Times Annalist, Feb. 16, 1914. Pp. 1½.

The size of the average freight car has grown faster than that of the average load, and the percentage of empty cars per train has also increased.

L'avant-projet relatif à l'autonomie des chemins de fer belges. Journ. d. Transports, Jan. 17, 1914. P. 1.

The commission appointed by the Belgian railway minister in 1912 reports in favor of the organization of an autonomous administration. *Le budget des chemins de fer de l'état.* Journ. d. Transports, Mar. 14, 1914.

Pp. 3½.

A criticism of the budget of the French state railways for 1914. *Le budget des conventions.* Journ. d. Transports, Mar. 28, 1914. Pp. 3.

L'exercice 1912-13 sur les chemins de fer italiens. Journ. d. Transports, Feb. 21, 1914. Pp. 1½.

The financial results of 1912-13 show some improvement over those of 1911-12, though not as marked as that of the latter year over 1910-11. The return upon the total railway capital is still very low, less than 2 per cent.

Régies nationales et municipales. Journ. d. Transports, Jan. 24, 1914. Pp. 2½.

A summary of a report made by a commission appointed, in 1909, by the International Institute of Statistics to investigate the statistics of state and municipal industrial enterprises. The inaccuracy and incompleteness of the returns of such undertakings is severely criticised.

Les résultats de l'exploitation du réseau d'état Prussien-Hessois. Journ. d. Transports, Feb. 28, 1914. Pp. 2½.

Situation comparée de la valeur des obligations des chemins de fer en 1913. Journ. d. Transports, Jan. 31, 1914. Pp. 1½.

A table showing in detail for 1913 the fall in the prices of the securities of the French railway companies and the total losses thereby resulting to the holders.

Königliche Verordnung vom 26 Juni, 1913, betreffend Feststellung eines allgemeinen Reglements für den Eisenbahndienst. Niederlande. Archiv f. Eisenbahnw., Jan.-Feb., 1914. Pp. 22.

The regulations cover roadway, signals, stations, and equipment.

Accounting

(Abstracts by John Bauer)

ALLISON, J. E. *Valuation of the physical property of a telephone plant.* Telephony, Dec. 27, 1913.

ALVORD, J. W. *The depreciation of public utility properties as affecting their valuation and fair return.* Pro. Am. Soc. Civ. Engrs., Nov., 1913. Pp. 16.

Argues that if a sinking fund has been built up to correspond with the depreciation and is held in trust for the property, this fund should be included in the value on which fair return is allowed; otherwise, the value should be cost of reproduction new, less depreciation.

ALVORD, J. W. *The depreciation of public utility properties as affecting their valuation and fair return.* Pro. Am. Soc. of Civ. Engrs., Jan., 1914. Pp. 67.

A discussion by a number of prominent engineers of Mr. Alvord's paper published in the November number of the *Proceedings*, mostly opposed to Mr. Alvord's view.

ANNETT, C. B. and CUNNINGHAM, C. F. *Textile cost accounting: its purposes and application.* Journ. Am. Soc. Mech. Engrs., Jan., 1914. Pp. 6.

Outlines the essentials of an adequate cost system.

CHANCE, H. M. *Valuation of coal land.* Bull. Am. Inst. Min. Engrs., July, 1913.

COWLEIN, A. S. *Bank bookkeeping and internal checks.* Accountant, Jan. 31, 1914. Pp. 11.

A moderately good description of accounting methods suited to the average English county bank.

ERICKSON, H. *Rates and rate-making under Wisconsin public utility law.* Engg. Rec., July 12, 1913. Pp. 2.

The cost basis of rate-making; each department of a public utility should bear its own costs.

ERICKSON, H. *Some problems of public utility accounting.* Elec. Ry. Journ., Feb. 7, 1914. Pp. 2.

Distinguishes between depreciation reserve, depreciation charge, and depreciation fund—entirely distinct concepts, frequently confused, almost never clearly distinguished (the author is not entirely successful).

GARCIN, F. *L'hypocrisie d'une comptabilité publique.* Journ. des Econ., Mar., 1914. Pp. 30.

A scathing criticism of the seventh report to the President of France in reference to the settlement of the estates by the suppressed religious orders; charges mismanagement and graft, with attempt to hide the facts through intricate, minute, and confusing accounts; shows striking statistical inconsistencies.

GEISBEEK, J. B. *Fair return to public utilities.* Journ. Account., Apr., 1914. Pp. 19.

Return should be based on "normal" value—actual value which in a large concern is likely to be constant because of fairly evenly scattered renewals.

HAMMON, W. D. *Efficiency in municipal accounting and reporting.* Journ. Account., Jan., 1914. Pp. 9.

Emphasizes the importance of complete financial accounting, which shall show also the unit cost of various municipal operations.

HEILMAN, R. F. *The development by commissions of the principles of public utility valuation.* Quart. Journ. Econ., Feb., 1914. Pp. 23.

Considers especially, besides the original cost versus cost-of-reproduction principle, the methods used by the leading public service commissions in valuing land, plant and equipment, pavements, development expense, and going value.

HURD, E. C. *Methods of telephone appraisal in Nebraska.* Engg. & Con., Dec. 17, 1913. Pp. 5.

The basis used: cost of reproduction new, less depreciation. Describes the procedure and gives the results of the appraisal.

JONAH, F. G. *Misapplication of interest, contingencies and engineering items for valuing railroads by cost of replacement method.* Journ. Assoc. Engg. Soc., Aug., 1913.

Opposes the view presented by D. F. Jurgensen, that interest, contingencies, and engineering items during construction should not be included in a valuation based upon cost of reproduction.

LEAKE, P. D. *Good-will; its nature and how to value it.* Accountant, Jan. 27, 1914. Pp. 10.

An unusually excellent discussion. Good-will is the present value of future "superprofits," i.e., profits above reasonable returns upon capital-cost investment.

McHENRY, W. E. *Cost per ton.* Engg. Mag., Feb. 14, 1914. Pp. 8.

Emphasizes the importance of knowing the "cost per ton" in reference to volume of output. Shows how the facts may be charted so as to show (1) a standard cost curve and (2) the experience from period to period as compared with the standard.

PROUTY, C. A. *The valuation of railroads.* Elec. Ry. Journ., Feb. 14, 1914. Pp. 2.

A summary of Mr. Prouty's address delivered Feb. 1, 1914, Washington, D. C., before the United States Chamber of Commerce. Describes the task of federal railway valuation, estimates the cost, and outlines the public benefits to be derived.

RIJENBERICK, R. B. *Something along the line of physical and intangible valuation as covered by recent legislation.* Elec. Trac., July, 1913.

ROYCE, F. P. *The going concern value in public service corporations.* Stone & Webster Pub. Serv. Journ., Feb., 1914.

SALVESEN, E. A. *Advertising an asset on the balance sheet.* Journ. Account., Mar., 1914. Pp. 4.

Holds that advertising should always be charged to revenue, never to capital as an asset.

SCOVELL, C. H. *Cost accounting practice with special reference to machine hour rate.* Journ. Account., Jan., 1914. Pp. 16.

Brings out important points in favor of the machine hour rate of distributing indirect manufacturing expenses.

STAUB, W. A. *The interrelation of financial and operating data.* Journ. Account., Jan., 1914. Pp. 12.

The importance of showing unit costs together with the usual financial statements; how and to what extent that may be done.

STILES, C. R. *How the private investor should keep his accounts.* Finan. Rev. Rev., Feb., 1914. Pp. 5.

WHITTEN, R. H. *Fair value for rate purposes.* Harvard Law Rev., XXVII, 5. Pp. 18.

Proposes that normal actual cost, not cost of reproduction, should be taken as the proper basis of valuation for rate-making purposes. Fairness to investors should be regulated through the rate of return allowed on such actual cost value, not through adjustment of valuation on a reproduction basis.

The assessment of mines. Engg. & Min. Journ., Nov. 22, 1913.

Criticism of tentative system of accounting. Elec. Ry. Journ., Mar. 28, 1914. Pp. 3.

Charges recommended by the Central Electric Railway Accountants' Association, applying to the classification of electric railway accounts, prescribed in Accounting Series Circular 41, recently issued by the Interstate Commerce Commission.

The depreciation plan of the valuation committee of the American Society of Civil Engineers. Engg. News, Feb. 12, 1914. Pp. 3.

Provides that the depreciation allowance, plus interest on the remaining investment, be a constant sum through the life of the plant. The first allowance is the same as the equal annual provision of the sinking-fund plan; then each year the allowance is increased by interest on the preceding allowance. The principle is the same as that determining bond amortization.

A discussion on the valuation of water works special franchises, with an illustrative example. Engg. & Con., Dec. 24, 1913. Pp. 3.

A summary of a paper by H. DeForest Baldwin before the American Water Works Association. The value of a franchise is determined by capitalizing the economic rent of the streets.

Efficiency engineering in the shops of the Milwaukee Electric Railway. Elec. Ry. Journ., Mar. 21, 1914. Pp. 7.

Shop practices and accounting methods employed in connection with the planning department and the premium system of wage payment.

Goodwill and advertising. Accountant, Feb. 28, 1914. Pp. 4.

Opposes as unsound finance and accounting the view that outlay in advertising adds to the good-will of a business and should therefore be included among balance sheet assets.

New York court on going value. Elec. Wld., Mar. 28, 1914. Pp. 2.

Must be allowed in valuation for rate making.

The rate of depreciation. Ry. Age Gaz., Mar. 27, 1914. P. 1.

Discusses the effect of a recent Supreme Court decision and I. C. C. order upon operating expenses of railroads.

- Valuation for rate making: discussion of committee report by American Society of Civil Engineers.* Engg. News, Mar. 19, 1914. Pp. 2.
- Valuation of railways at Los Angeles, California.* Engg. News, Feb. 12, 1914. Pp. 3.

Corporations and Trusts

(Abstracts by M. H. Robinson)

- BELLET, D. *L'industrie des pêches maritimes françaises. Son passé, son présent, son avenir.* Rev. d'Econ. Polit., Jan.-Feb., 1914.

The growth of the fisheries as an industry in France is explained by the adoption of machinery and capitalistic methods, centralization and large-scale establishments.

- BOND, F. D. *The revolt of minority stockholders.* Moody's Mag., Apr., 1914.

Reviews a number of striking cases and suggests that many changes in our corporation law are necessary before stockholders can protect themselves with full efficiency.

- ECKEL, E. C. *The legal and economic position of great corporations.* Engg. Mag., Apr., 1914.

Discusses with clearness and vigor the underlying causes of consolidations and concludes with some pertinent suggestions as to the proper functions of the government in controlling them.

- FOULKE, R. R. *The federal anti-trust act of 1890.* Univ. Penn. Law Rev., Dec., Jan., Feb., 1913-14.

Important cases discussed and numerous citations. Real question in each case is, Is there control of buying or selling?

- GOOD, E. T. *Combines and competition in the steel trade, from the British standpoint.* Intern. Rev. Comm. & Indus., Jan., 1914.

British producers of steel products must combine or perish; prefers the American to the German form of consolidation.

- GOOD, E. T. *Is there an armour plate trust?* Intern. Rev. Comm. & Indus., Mar., 1914.

Concludes that the evidence of any all-embracing armor-plate trust is very slender.

- HENDRICK, B. J. *A new leader and a new trust policy.* Wld. Wk., Mar., 1914.

A characterization of Henry D. Clayton, the chairman of the House Judiciary Committee, and his views on the trust question.

- HERESHOFF-BARTLETT, C. A. *The standard of reason v. restraint of trade.* Law Mag. & Rev., Feb., 1914.

A review of the cases leading up to the Standard Oil case, showing the vacillating course of the decisions. The questions involved are moral rather than legal, and recognition of this fact would insure sane legislation and consistent decisions.

- LEVY, F. H. *The federal anti-trust law and the "rule of reason."* Va. Law Rev., Dec., 1913.

MACGREGOR, D. H. *The development and control of German syndicates.* Econ. Journ., Mar., 1914.

Cartels have been favored as better than the corporate consolidation of the United States. Present tendencies point to great integrations. The government is a party to many cartels and thus controls to a certain extent.

MADISON, J. *Aspects of monopoly one hundred years ago.* Harper's, Mar., 1914.

Mentions patents, copyrights, and ecclesiastical foundations. Desirable to reserve the right to terminate such monopolies; consideration to be determined in the grant.

NIMS, H. D. *Unfair competition.* Outlook, Feb. 7, 1914.

Describes the French, German, and Danish methods of preventing unfair competition; and advocates the passage of a bill (H. R. 9300) now before Congress defining and prohibiting such practices.

REED, R. E. *Democracy and corporate reform.* Atlantic, Feb., 1914.

An analysis of the Democratic anti-trust platform of 1912, and an argument for the Williams bill, which the author, at the request of Senator Williams, wrote.

ROE, R. *The United Shoe Machinery Company.* Journ. Pol. Econ., Jan., 1914.

The conclusion of Mr. Roe's defense of the United Shoe Machinery's method of controlling the shoe machinery business. Contends that the company was seeking greater efficiency rather than monopoly control.

SCHNEIDER, O. *Das Petroleummonopol.* Schmollers Jahrb., XXXVII, I. Pp. 49.

TOWNE, H. R. *The proposed trust legislation.* Am. Employer, Mar., 1914.

The address of Mr. Towne before the Chamber of Commerce of the United States. Advocates a national trades commission and suggests that it conduct investigations similar to those of the Canadian government under the Combines Investigation Act.

Antitrust legislation. Nation's Business, Feb. 16, 1914.

A complete account, with all the addresses in full, of the National Conference on Antitrust Legislation of the Chamber of Commerce of the United States in connection with the second annual meeting at Washington, D. C., February 11, 12, 13, 1914.

Completing the anti-trust programme. N. Am., Apr., 1914.

Believes all the bills submitted in connection with President Wilson's trust program desirable, but suggests many changes, and advocates strongly that the trade commission should have powers.

Other governments' laws for trusts. N. Y. Times Annalist, Mar. 2, 1914.

A brief and rather popular review of the attempts made in England, Germany, and France to prevent the formation of the so-called trusts. In all three cases the attempt has failed.

Trust-busting as a national pastime. Unpopular Rev., Apr.-June, 1914.

A criticism of our policy; comments favorably on regulation, as illustrated by Germany. Advocates trade commission.

Investments

- AYRES, A. U. *Regulation of securities issues*. Pol. Sci. Quart., Dec., 1913.
- DEL VECCHIO, G. *Il nuovo régime delle borse*. Giorn. d. Econ., Oct., 1913. Pp. 13.
- Apparent effects of the new Italian stock exchange law (March 20, 1913).
- GARDNER, J. *The investment aspect of financial stringency*. Finan. Rev. Rev. (London), Jan., 1914.
- HILL, J. J. *Conditions in the investment world*. Ry. Age Gaz., Oct. 31, 1913.
- JOHNSON, G. H. *The short-term note expedient*. N. Y. Times Annalist, Nov. 24, 1913.
- MILNER. *The scramble for capital*. Journ. Inst. Bankers, Dec., 1913.
- "Blue sky" legislation. Journ. Am. Bankers Assoc., Nov., 1913.
- London hotels as investments. Finan. Rev. Rev., Jan., 1914.

Labor and Labor Organizations

(Abstracts by George E. Barnett)

- BACON, E. V. *The treatment of industrial disputes*. Intern. Rev. Comm. & Indus., Mar., 1914.
- BARHAM, G. B. *The bonus system*. Mech. Wld., Dec. 12, 1913.
- Discusses the benefits derived from the bonus system, the methods, and related matters.
- BELLETT, D. *Le rendement de l'ouvrier mineur des houillères*. L'Econ. Franç., Jan. 3, 1914. Pp. 3.
- Calls attention to the decrease in the amount of coal mined per man in the leading coal-producing countries and suggests that this is due to legislation affecting the conditions of employment.
- BLANE, W. *The labour problem in South Africa*. Nineteenth Cent., Mar., 1914. Pp. 7.
- CONSTABLE, W. G. *Compulsory settlement of industrial disputes*. Edinburgh Rev., Jan., 1914.
- Reviews the legislation in different countries and discusses the various plans proposed to secure compliance with the law. Concludes that "any attempt to prevent strikes and lockouts by coercive measures would be unwise."
- ELLIS, H. I. *Labor conditions at Fairbanks, Alaska*. Engg. & Min. Journ., Dec. 13, 1913.
- High wages are justified as the men work only about 120 days and have to care for themselves during the long winter.
- ERKELENZ, A. *Streikrecht oder Arbeitsrecht für die Staatsarbeiter?* Soz. Praxis, Jan. 1, 1914. Pp. 4.
- Proposes that government employees shall be given the right to

organize and to possess certain definite legal conditions of employment, but not the right to strike.

FONTAINE, A. and CREHANGE, A. *Soziale Gesetzgebung. Frankreich. Die gesetzliche Regelung des Tarifvertrages.* Ann. f. Soz. Pol., III, 3-4, 1914. Pp. 33.

A detailed account of the proposed law, voted by the Chamber of Deputies on July 29, 1913, regulating collective agreements.

FRANCKE, E. *Die Tarifverträge im Deutschen Reich am Ende des Jahres 1912.* Soz. Praxis, Jan. 15, 1914. Pp. 3.

An abstract of the recent volume of collective agreements issued by the Imperial Statistical Office. The number of persons working under agreements increased from 974,564 in 1907 to 1,999,527 in 1912.

FRANCKE, E. *Internationale Arbeiterschutzverträge.* Weltwirtsch. Archiv, Jan., 1914. Pp. 16.

Reviews briefly the activities of the International Association for Labor Legislation and the progress of international agreements for the protection of labor.

GARRETT, C. W. *Workmen's compensation. A study in evolution.* Pro. Ry. Club of Pittsburgh, Nov. 28, 1913.

A discussion of the several plans of caring for injured workmen while disabled.

GOMPERS, S. *Upton Sinclair's mental marksmanship.* Am. Federationist, Apr., 1914. Pp. 9.

A reply to certain statements concerning trade-unionism contained in Mr. Sinclair's open letter to Mr. Vincent Astor.

GREENWOOD, A. and SADLER, M. E. *The Leeds municipal strike and a rejoinder.* Econ. Journ., Mar., 1914. Pp. 14.

During a recent strike of municipal employees at Leeds, members of the University took the places of strikers with the consent of the University authorities. Mr. Greenwood condemns and Mr. Sadler, Vice Chancellor of the University, defends this action.

HOXIE, R. F. *Trade unionism in the United States: general character and types.* Journ. Pol. Econ., Mar., 1914. Pp. 17.

Proposes a classification of American trade unions into structural and functional types.

HUGINS, R. *The effect of scientific management on wages.* S. Atlantic Quart., Jan., 1914. Pp. 17.

Efficiency systems are not "a solution of the labor problems." The unions should insist on the restraint of scientific management by collective bargaining.

HUTTON, M. S. *Workmen's compensation laws in America.* Engg. Mag., Apr., 1914. Pp. 8.

Summary of the laws now in force.

KEELING, F. *The trade boards act.* Econ. Journ., Mar., 1914. Pp. 5.

"It is clear that a legal minimum wage can be fixed without causing

serious inconvenience either to employers or to workers in low-paid trades."

LEISERSON, W. M. *Public employment offices*. Pol. Sci. Quart., Mar., 1914. Pp. 27.

Describes the methods of the Wisconsin state employment offices.

LOUIS, P. *Le mouvement syndical en Suède et en Norvège*. Mus. Soc., Mém. & Doc., Jan., 1914. Pp. 22.

Historical and statistical account of Swedish and Norwegian trade unionism.

MALLON, J. J. *Extending the trade boards act*. Women's Industrial News, July, 1913. Pp. 9.

A brief account of the conditions in the five trades—sugar confectionery and food preserving, shirt-making, hollow-ware, linen embroidery, and laundrying—to which the Board of Trade has decided to extend the Trade Boards Act.

VAN MANEN, C. A. *Zum Stande der niederländischen Arbeiterbewegung*. Schmollers Jahrb., No. 1, 1914. Pp. 26.

Recent history of the Dutch labor movement, with special accounts of the organizations of the diamond workers and of the dock employers.

MILLIS, H. A. *Some aspects of the minimum wage*. Journ. Pol. Econ., Feb., 1914. Pp. 18.

General review of the minimum wage question, accompanied by tabular conspectus showing the chief provisions of the minimum wage laws now in force in the United States.

MINOR, H. D. *The federal employers' liability act*. Va. Law Rev., Dec., 1913. Pp. 18.

Discusses (1) what cases come within the act; (2) what is the measure of recovery; and (3) how far the question of the defense of assumption of risk has been abolished.

MITCHELL, J. *Economic necessity of trade-unionism*. Atlantic, Feb., 1914.

POWELL, F. W. *Mediation and arbitration of railroad wage controversies: a year's development*. Quart. Journ. Econ., Feb., 1914. Pp. 13.

Brief account of the arbitration proceedings and the awards in the cases of the Firemen and of the Conductors and Trainmen.

ROTH, A. *Das neue Sonntagsruhe-Gesetz*. Soz. Praxis, Jan. 15, 1914. Pp. 4.

Critical comments on the proposed new law for the regulation of Sunday rest.

SINZHEIMER, H. *Das Recht auf Offenlegung im Arbeitsvertrag. Zugleich ein Beitrag zur Regelung der geheimen Konkurrenzklausel*. Soz. Praxis, Feb. 12, 1914. Pp. 3.

Blacklists and agreements among employers not to hire each other's workmen should be given compulsory publicity.

SMITH, J. *Sequel workmen's compensation acts*. Harvard Law Rev., Jan., Feb., 1914. Pp. 25, 24.

Workmen's compensation acts are inconsistent in principle with other parts of the law of torts.

SOMERVILLE, H. *Trade unionism in England*. *Mouv. Social*, Jan. 15, 1914. Pp. 15.

Present tendencies concisely described.

TREGEAR, E. *The New Zealand strike*. *New Statesman*, Mar. 7, 1914. Pp. 2.

The recent strike of the Watersiders' Union was deliberately brought on by the Employers' Federation. The refusal of the union to register under the Arbitration Act was due to the changes in the act made in recent years.

VILLARD, H. G. *Italian experience with compensation*. *N. Y. Times Annalist*, Feb. 2, 1914. P. 1.

Extraordinary increase in the number of accidents is due to systematic exploitation of employers. Certain provisions of the law are chiefly responsible for this result. Advocates lump sum payments for temporary disabilities and pensions for permanent disabilities.

WILLIAMS, F. W. *The problem of labor in the Philippines*. *Supplement Am. Pol. Sci. Rev.*, Feb., 1914. Pp. 22.

Defends the policy of excluding alien laborers.

WILLOUGHBY, W. F. *The philosophy of labor legislation*. *Am. Pol. Sci. Rev.*, Feb., 1914. Pp. 11.

Through labor legislation, the real freedom of the individual is attained and his efficiency is increased.

WINNIG, A. *Der Kampf der deutschen Werftarbeiter im Jahre 1913*. *Ann. f. Soz. Pol.*, III, 3-4, 1914. Pp. 11.

Brief account of the strike and some consideration of the action of the union leaders in refusing to give support. The problems of the Metal Workers' Union, particularly in the ship-building yards, are discussed.

ZAHN, F. *Die Frau im Erwerbsleben der Hauptkulturstaaten. Ein Beitrag zu Statistik des Frauenerwerbes*. *Allgemeines Statistisches Archiv*, VII, 2, 1914. Pp. 29.

A collection of the chief statistical facts relating to the number of wage-earning women in different countries and different industries.

ZIMMERMAN, W. *Zur Entwicklung des Einigungswesens in Deutschland*. *Soz. Praxis*, Jan. 22, 1914. Pp. 5.

Urges the establishment in Germany of an Imperial bureau for the study and promotion of collective agreements.

Arbitration decision in Indianapolis. *Elec. Ry. Journ.*, Feb. 21, 1914. Pp. 4.

An abstract of the decision rendered by the Indiana Public Service Commission sitting as an arbitration board in the Indianapolis street railway labor dispute.

Discussion of miner's compensation laws. *Coal Age*, Nov. 22, 1913.

A discussion of compensation laws as they affect the miner and the operator in coal mining.

The Dublin labour dispute. Pol. Quart., Feb., 1914.

The Ford plan for employee's betterment. Ir. Age, Jan. 29, 1914.

Record discipline on the Baltimore & Ohio. Ry. Age Gaz., Jan. 16, 1914.
Pp. 4.

Suspensions from service have been done away with; discipline is maintained by keeping careful records and by basing promotions on these records.

Report of arbitration board on Boston elevated railway. Elec. Ry. Journ., Jan. 24, 1914. Pp. 2.

Women in industry. New Statesman, Feb. 21, 1914. Pp. 14.

A series of papers on problems of women's labor in England. Includes papers on Women's Wages, Women in Trade-Unionism, The Legal Minimum Wage at Work, and A Policy for Women Workers.

Arbeitslosigkeit und ihre Bekämpfung. Die Arbeitslosenfürsorge. Soz. Praxis, Feb. 19, 1914. Pp. 3.

Gives evidence of interest in the subject of unemployment from all parts of Germany. The discussion and proposed plans indicate a growing belief in the feasibility of unemployment insurance.

Cost of Living and Prices

(Abstracts by Henry J. Harris)

ALBRECHT, G. *Die Struktur des Ausgabenbudgets verschiedener Bevölkerungsschichten.* Jahrb. f. Nat. Oek., III, 47, 3, 1914. Pp. 27.

An interesting comparison of the expenditures of workingmen and of salaried employees (teachers, government employees, etc.) on the basis of recently published budgets of German families.

CONRAD, J. *Die Fleishteuerungsfrage.* Jahrb. f. Nat. Oek., III, 47, 2, 1914.
Pp. 30.

The recent rise of meat prices is in part due to leveling up of German prices to those of neighboring countries. However, the present production is entirely too low, and relief is to be sought in the use of waste lands for pasturing, increase in the number of small farms because they are greater cattle producers, greater use of coöperative methods, reform in the system of marketing, etc.

GURADZE, H. *Die Brotpreise in Berlin im Jahre 1913.* Jahrb. f. Nat. Oek., III, 47, 3, 1914. Pp. 5.

As compared with 1912, prices of bread of all kinds in Berlin were lower in 1913.

Fluctuations in prices and wages in Japan. Mo. Bull. Econ. & Soc. Intelligence, Feb., 1914. Pp. 16.

Price index for rice has risen from 107 in 1902 to 176 in 1912 (using 1900 as the base). The general cost of living in Japan has increased 38 per cent in ten years; the general index for wages has risen from 104.0 in 1902 to 149.3 in 1911.

Lowered cost of family marketing. Daily Cons. & Trade Repts., Mar. 21, 1914. P. 1.

The British Coöperative Wholesale Society's index for a workman's market-basket, shows that in 1913 the number was 144.90, in 1912 it was 148.56 and in 1911 it was 142.00.

Prices of bread, wheat, and flour. Labour Gazette (London), Mar., 1915.

Prices on March 2, 1914, were as a rule slightly lower than on March 1, 1913.

Grosshandelspreise der wichtigsten Rohstoffe und Konsumartikel auf den bedeutendsten Marktplätzen des In- und Auslandes. Warenpreisberichte, Apr. 2, 1914. Pp. 14.

Preisbewegung der hauptsächlichsten Lebensmittel im Jahre 1913. Reichs-Arbeitsblatt, Mar., 1914. Pp. 3.

While the report gives no general averages for the empire, the prices of meat and milk showed a rising tendency in 1913 as compared with 1912; the rise, however, was not so marked as in the years immediately preceding 1912.

Preisstatistiken und Haushaltsbudgets. Soz. Praxis, Jan. 29, 1914. Pp. 2.

To show the need for international statistics of prices and consumption, illustrations are given of variations in prices in different countries and of the cost of living of workmen in these countries.

Money, Credit, and Banking

(Abstracts by Don C. Barrett)

ALLEN, W. H. *Why gold goes abroad.* Moody's Mag., Apr., 1914. Pp. 3.

BAKER, H. D. *Coöperative credit movement in India.* Daily Cons. & Trade Repts., Feb. 13, 1914. Pp. 8.

Increase and status of coöperative loan societies and the tendency to start other coöperative movements.

CONANT, C. A. *If gold were dross.* N. Am. Rev., Dec., 1913. Pp. 10.

If gold should become dangerously abundant the world's standard would doubtless be, not a legal tender paper, but still gold with a "managed" currency similar to that of Austro-Hungary.

DANNER, V. E. *Protecting the bank depositor.* Rev. Rev., Feb., 1914. Pp. 5.

A summary statement in regard to deposit guaranty as it now exists in Oklahoma, Nebraska, Kansas, and Texas; arguments pro and con, and recommendations as to its future use.

DUGUID, C. *The daily money article. Lectures III and IV.* Journ. Inst. Bankers (London), Feb., 1914. Pp. 27.

Discussion of London Stock Exchange procedure and the influences affecting the prices of stocks and bonds.

ECKARDT, H. M. P. *Canadian banking and commerce.* Bankers' Mag., Mar., 1914. Pp. 7.

The bank act of 1913 has not made any radical changes of system or practice. Indications of curtailed activity in many directions.

EGGENSCHWYLER, W. *Ueber die Ursachen der Teuerung*. Jahrb. f. Nat. Oek., III, 46, 6, 1913. Pp. 23.

Criticises Irving Fisher's exposition of the quantity theory of prices. Insists that the important element in the price-making process is the exchange of goods against goods, combined with certain credit operations.

GARDIN, J. E. *Reserve act and commercial paper requirements*. Trust Companies, Feb., 1914. Pp. 4.

Emphasizing the fact that only paper based on actual commercial transactions should be rediscounted.

HAAS, H. J. *Federal reserve act and reserve city banks*. Trust Companies, Mar., 1914. Pp. 7.

Calculations as to probable status of various accounts under the new act.

HOLLANDER, J. H. *Bond investments by national banks*. Journ. Pol. Econ., Jan., 1914. Pp. 2.

Corrects statements in J. V. Hogan's article in the November, 1913, issue of the *Journal of Political Economy*.

HUBERT-VALLEROUX, M. *Une grave menace. Le nouveau projet de loi sur les caisses d'épargne*. Réf. Soc., Feb. 16, 1914. Pp. 12.

The new bill raises the maximum of individual deposits from 1,500 francs to 3,000 francs, thus increasing the difficulty of meeting withdrawals in case of war or panic. Small depositors are being crowded out by the well-to-do.

INNES, A. M. *The credit theory of money*. Banking Law Journ., Feb., 1914. Pp. 18.

An explanatory statement of the theory that a medium of exchange does not exist, that the precious metals are not a standard of value, but that "credit and credit alone is money."

KOELSCH, W. F. H. *Preventing credit inflation under the federal reserve bank system*. Trust Companies, Feb., 1914. Pp. 2.

Our commercial paper should be based at least upon two-name paper. This is the only safe and correct method.

LANSBURG, A. *Die Reichsbank und der sogenannte Geldmarkt*. Die Bank, Feb., Mar., 1914. Pp. 8, 10.

Haverstein's new policy for the Reichsbank is to cause other banks to accumulate their own reserves and to become more self-dependent. Compares the policy of the Bank of England and the Reichsbank in handling the rate of discount. That funds loaned by the Reichsbank for quarterly payments are in fact capital and not money, is evident from the steady rate of interest and from the fact that imperial bank notes when issued raise prices but when temporarily withdrawn do not affect prices. The way to increase the bank's reserve is, not

to raise the discount rate, but to discontinue loans running for a few days only.

LEHFELDT, R. A. *The rate of interest on British and foreign investments.* Journ. Royal Statist. Soc., Mar., 1914. Pp. 4.

A continuation of statistical information.

LEROY-BEAULIEU, P. *La production de l'or dans le monde.* L'Econ. Franç., Feb. 14, 1914. Pp. 3.

The great increase in production of gold from 1890 to 1908 has given way to a much slower rate of increase during the last five years, and 1913 shows an actual decline. This change must be considered a warning, and our economic system must be adapted to it.

LOTZ, W. *Ludwig von Mises, Theorie des Geldes und der Umlaufmittel.* Jahrb. f. Nat. Oek., III, 47, 1, 1914. Pp. 8.

Lotz criticises von Mises' book, holding that it is for the most part built upon incorrect conceptions of money and banking. The part dealing with social consequences of changes in the value of money is the best.

McWILLIAM, E. G. *New York's problem.* Journ. Am. Bankers Assoc., Jan., 1914. Pp. 4.

Traces the development of guaranty surplus of savings banks, and shows the failings of two suggested plans. Suggests a new plan.

MITCHELL, W. C. *The new banking measure in the United States.* Econ. Journ., Mar., 1914. Pp. 9.

An exposition of the principal features of the new system, with explanatory and some critical comment.

MOLL, B. *Die theoretischen Probleme des stoffwertlosen Geldes im nationalen und internationalen Wirtschaftsleben.* Weltwirtsch. Archiv, Jan., 1914. Pp. 11.

Largely a favorable commentary on Knapp's *Staatliche Theorie des Geldes*. Knapps' theory that the state can give value to money by mere law is wrong.

MOODY, J. *New banking system.* Moody's Mag., Jan., 1914. Pp. 3.

Chief features. The law diminishes danger of inflation.

MURRAY. *Royal commission on Indian finance and currency.* Banker's Mag. (London), Apr., 1914. Pp. 6.

Favorable criticism of the commission's findings.

"O." *Les opérations de la Banque de France pendant l'année 1913.* L'Econ. Franç., Feb. 28, 1914. Pp. 3.

Although the Balkan conflict caused a rise in the rate of discount, the Bank of France maintained a lower rate than that of foreign markets, thus favoring French industries. The stock of gold was increased by 313,000,000 francs during 1913.

OFFENHEIMER, F. *Kollektivbesprechungen zur Geldtheorie.* Weltwirtsch. Archiv, Jan., 1914. Pp. 10.

An unfavorable review of three books on monetary theory, by Paul Geringross, Silvis Gesell, and Otto Lang.

PAGE, E. D. *Single-name commercial paper*. Trust Companies, Mar., 1914. Pp. 3.

PALMGRAVE, I. *The central reserve*. Bankers' Mag. (London), Mar., 1914. Pp. 8.

A statistical demonstration of the growth of deposits and of exchange business without adequate addition to the Bank of England reserve. Often when the bank raises its rate to check the flow of gold, the liabilities of other banks are such that they cannot follow the same course, but rather an independent and counter action.

PATTERSON, E. M. *Government deposits in national banks*. Journ. Pol. Econ., Jan., 1914. Pp. 4.

Secretary McAdoo in granting New York banks a decreasing proportion of deposits merely follows a policy adhered to for fifteen years.

RAFFALOVICH, A. *Le marché financier en 1913*. Journ. des Econ., Jan., 1914. Pp. 30.

The twenty-seventh annual article by Raffalovich on the financial market. Sets forth the difficulty of grasping the numerous and complex causes of fluctuations in business. International and domestic politics were disturbing elements in 1913. France, Germany, England, Russia, Austro-Hungary, and the United States are especially considered.

ROBECK, E. F. *Revision of New York state banking law*. Trust Companies, Feb., 1914. Pp. 5.

Details of the more important changes, especially with regard to reserves and commercial paper, recommended by the Van Tuyl commission.

SEIDEL, M. *Das Sparkassenwesen einiger europäischer Staaten*. Die Bank, Mar., 1914. Pp. 10.

Legislation and regulations in regard to savings banks in Germany but with special reference to Prussia.

SPALDING, W. F. *A few remarks concerning the credit instruments used in foreign banking*. Journ. Inst. Bankers (London), Feb., 1914. Pp. 5.

SPRAGUE, O. M. W. *The federal reserve act of 1913*. Quart. Journ. Econ., Feb., 1914. Pp. 22.

A clear exposition of the provisions in the new law for organization, administration, capital, reserves, and note issue; the probable advantages of the new system as compared with the old; functions and powers of the banks making up the reserve organization.

SPRAGUE, O. M. W. *The Federal Reserve Act of 1913*. Yale Rev., Apr., 1914. Pp. 16.

A briefer statement of points presented by the author in the February number of the *Quarterly Journal of Economics*.

TUCCARI, L. *L'ideale e il vero nelle funzioni delle banche popolari*. Giorn. d. Econ., Nov., 1913. Pp. 22.

VAN CORTLANDT, R. B. *What is agricultural credit?* N. Am. Rev., Apr., 1914. Pp. 4.

Needs of the United States. Description of European systems.

WHITELOCK, W. H. *Industrial credit and imprisonment for debt*. Econ. Journ., Mar., 1914. Pp. 8.

Shows some decline in the use of credit system by working class of England. The instalment plan encourages indebtedness. Defends the money-lender and advocates retention of power to imprison for debt as administered by the Birmingham court.

The trust companies in New York and elsewhere. Comm. & Finan. Chron., Feb. 21, 1914. Pp. 3.

Most noteworthy feature in 1913 is continued diminution in their number, deposits, and total resources.

Public Finance

(Abstracts by C. C. Williamson)

ADAMS, T. S. (1) *The meaning of the state tax*. (2) *Investing in service. The increase in state expenditures and receipts and what it means*. (3) *Where does the tax money go?* (4) *Placing the tax where it belongs*. La Follette's Weekly, Jan. 24, 31, Feb. 7, 21, 1914.

(1) Analyzes tax bills to show the cost of every department of government, state and local, explaining the "much discussed increase" in taxation in the state of Wisconsin. (3) "Discussion of the burden of state taxation in typical parts of the state." (4) "How the Wisconsin income tax law is distributing the cost of government fairly and equitably among rich and poor."

AMOROSO, L. *Sopra la riforma delle pensioni civili e militari*. Giorn. d. Econ., Nov., 1913. Pp. 27.

Difficult administrative problems have arisen with the great growth of military and civil pensions in Italy.

AUSTIN, E. O. *Valuation of stocks listed, unlisted, and of close corporations in transfer tax proceedings*. Bench & Bar, Mar., 1914. Pp. 6.

A study of court decisions.

BEERS, L. H. *The increase of inheritance taxes in New York*. Columbia Law Rev., Mar., 1914. Pp. 12.

BENEDEUCE, A. *A proposito della riforma delle pensioni civili e militari*. Giorn. d. Econ., Dec., 1913. Pp. 19.

Takes issue with some of Amoroso's proposals (previous *Giornale*) for the reform of the Italian pension administration.

BERNSTEIN, E. *Die Realitäten des Budgetrechts*. Soz. Monat., No. 5, 1914. Pp. 7.

BOWLEY, A. L. *The British super-tax and the distribution of income*. Quart. Journ. Econ., Feb., 1914. Pp. 14.

Discusses the English super-tax as an aid in ascertaining the distribution of incomes. Heretofore income tax statistics have failed to show the total number of income tax payers, the number paying in each grade of income, or the proportion of income resulting from ownership and earnings respectively. Concludes that the "statistics arising from the imposition of the super-tax tends to raise new problems rather than to solve old ones."

BROCKET, N. W. *Taxation*. Stone & Webster Pub. Serv. Journ., Mar., 1914. Pp. 5.

Reprint of an address dealing with the finances of Seattle, Washington.

BROUSSE, E. *Le projet de lois sur le controle budgétaire*. L'Econ. Franç., 1914. Pp. 2.

BURKE, J. I. *How trust companies handle and solve income tax problems*. Trust Companies, Feb., 1914. Pp. 2.

BYLES, W. P. *Naval expenditures and the investor*. Finan. Rev. Rev., Feb., 1914. Pp. 9.

Naval expansion tends to separate nations instead of uniting them, and is thereby a hindrance to the progressive development of the world.

CHAMBERLAIN, L. *American counties as debtors*. Moody's Mag., Jan., 1914. Pp. 8.

Relates to certain phases of county government, such as repudiation, etc., which affect the security of the bonds.

CHAMBERLAIN, L. *How to read a municipal bond circular*. Moody's Mag., Feb., Mar., 1914. Pp. 10.

A general discussion of municipal finances as viewed by investment bankers and land dealers.

CHASE, H. S. *The national budget*. Journ. Account., Feb., 1914. Pp. 12.

COLYVAS, N. *La législation financière grecque. In application sur les territoires libérés par l'armée grecque*. Le Monde Econ., Jan. 17, 24, 31, 1914. Pp. 10.

DE CUREL, C. *En regard du projet Caillaux: les principaux impôts sur le revenu en Europe*. Mouvement Social, Feb. 15, 1914. Pp. 21.

A review of income taxes in Germany, Italy, and England.

DE MAURO, G. *Il tramonto dell'imposizione indiretta*. Riv. Intern., Oct., 1913. Pp. 19.

The bad effects of indirect taxation are clearly forerunners of its disappearance in favor of direct taxation.

DOUCET, R. *Le controle financier*. Le Monde Econ., Jan. 31, 1914. Pp. 2.

EVE, C. G. *Systems of land valuation in the United Kingdom*. Mo. Bull. Econ. & Soc. Intelligence, Jan., 1914. Pp. 32.

Continued from the December number.

GARCIN, F. *L'hypocrisie d'une comptabilité publique*. Journ. des Econ., Mar., 1914. Pp. 29.

GERBETH, P. *Die verfassungrechtlichen Beziehungen zwischen der Reichspost und den Finanzen der Bundesstaaten.* Ann. d. deutsch. Reichs, Jan., 1914. Pp. 25.

GERLOFF, W. *Die Reichsfinanzgesetzgebung von 1913.* Ann. f. Soz. Pol., III, 3-4, 1913. Pp. 66.

GETZLAFF, O. *Schulden und Steuern aller Gemeinden Preussens.* Verwalt. u. Stat., Dec., 1913. Pp. 6.

GUYOT, Y. *Les causes du déficit.* Journ. des Econ., Mar., 1914. Pp. 19.

GUYOT, Y. *L'évolution et les régressions fiscales.* Journ. des Econ., Feb., 1914. Pp. 22.

Condemns the income tax as a return to methods and ideas of primitive and ancient times. Voting of budgets by those who do not pay taxes and yet profit by the expenditures is no better than the exploitation of the people by the king and his favorites.

HANNON, P. J. *Naval expenditures and the investor.* Finan. Rev. Rev., Mar., 1914. Pp. 9.

Author is secretary of the Navy League, and is known as an exponent of the "Big Navy" view. He replies to the article by Sir William Byles in an earlier number of the same review, maintaining that naval supremacy is an absolute necessity for the investor.

HAYEM, J. *Deuxième congrès international de la réglementation douanière.* Rev. Intern. du Comm., Dec. 31, 1914.

HEINEMANN, E. *Der Kursstand der deutschen Staatsanleihen.* Jahrb. f. Nat. Oek., III, 47, 2, 1914. Pp. 7.

Another article called forth by the remarkable fact that German 3 per cent bonds have fallen from par to 75 since 1895, in spite of remarkable prosperity and economic development of the country.

HOBSON, J. A. *The reconstruction of the income tax.* Nineteenth Cent., Mar., 1914. Pp. 13.

Discusses possible reforms in the English income tax, especially along the line of "improvement and extension of the policy of graduation."

INGLE, E. *Difficulties of the income tax.* Journ. Am. Bankers Assoc., Jan., 1914. Pp. 4.

Reviews in a rather unfriendly spirit some of the difficulties which have arisen. Advocates substitution of information-at-the-source for present collection-at-the-source.

JESSUP, H. W. *Income tax burdens imposed on trust companies are unconstitutional.* Trust Companies, Jan., 1914. P. 1.

JOEHLINGER, O. *Kolonialschulden und Kolonialanleihen.* Finanz-Archiv, No. 1, 1914. Pp. 32.

Points out the general grounds for a change of policy in the finances of the German colonies. Hitherto deficits in the colonial budgets have been met by the mother country. Suggests that henceforth all outlays for public works, such as railways, should be met by loans, a method generally followed by other countries.

JOHNSON, A. S. *Public capitalization of the inheritance tax.* Journ. Pol. Econ., Feb., 1914. Pp. 21.

The inheritance tax, as found in all modern states, is an "unthrifty" tax, since it causes a "net reduction in our fund of accumulated capital." The state should not play the role of a prodigal heir squandering his inheritance. Professor Johnson's proposal, therefore, is that the state should invest the proceeds of the inheritance tax and expend only the income on the investment. He takes up the various objections likely to be raised and answers them to his own satisfaction.

KOEPPE, H. *Die Reichsteuerreform von 1913.* Finanz-Archiv, No. 1, 1914. Pp. 66.

A thorough study of the imperial tax "reform" of 1913, which after all was not designed to effect a complete reform of the system, but rather to produce as quickly as possible a large revenue to meet the cost of increased military forces necessitated by the outcome of the Balkan War.

LEROY-BEAULIEU, PAUL. *Les deux premiers titres de l'impôt sur le revenu. Les valeurs mobilières.* L'Econ. Franç., Mar., 7, 1914. Pp. 2.

LEROY-BEAULIEU, PAUL. *Un plan de finances à opposer aux projets gouvernementaux.* L'Econ. Franç., Feb. 7, 14, 1914. Pp. 5.

LEROY-BEAULIEU, PAUL. *Les projets financiers gouvernementaux: le système de la conjugaison des taxes.* L'Econ. Franç., Jan. 31, 1914. Pp. 2.

LEROY-BEAULIEU, PAUL. *La recherche de l'absolu en matière d'impôts.* L'Econ. Franç., Feb. 21, 1914. Pp. 2.

LEROY-BEAULIEU, PIERRE. *La répartition des impôts en France, en Angleterre et en Allemagne: impôts sur la richesse et impôts sur les consommations.* L'Econ. Franç., Jan. 17, 1914. Pp. 2.

LEUSCHER, F. *Lower rents and cheaper homes.* Real Estate Mag., Mar., 1914. Pp. 4.

Advocates halving the tax on improvements.

LOSCH, H. J. *Eine Sonderstatistik über die physischen Einkommensteuereinsätzen in Württemberg.* Verwalt. u. Stat., Dec., 1913. Pp. 3.

LOUIS, P. *Die Finanzkrisis in Frankreich.* Die Neue Zeit, Mar., 13, 1914. Pp. 6.

MASON, H. A. *The necessity for a more scientific method of assessing.* Pacific Municipalities, Feb., 1914. Pp. 12.

A paper read before the sixteenth annual convention of the League of California Municipalities.

MEISSINGER, H. *Die Gebühren des Kommunalen Haushalts, mit besonderer Berücksichtigung Hessens.* Finanz-Archiv, No. 1, 1914. Pp. 62.

A continuation from the previous volume of *Finanz-Archiv.*

MERRIAM, J. R. *The income tax.* Rev. Rev., Feb., 1914. Pp. 5.

Answers to many practical questions that arise in the filing of individual income statements.

MOLTENO, P. A. *Liberalism and naval expenditure*. Contemp. Rev., Feb., 1914. Pp. 12.

NOGARO, B. *Les embarras financiers et l'évolution fiscale en Angleterre*. Rev. Pol. et Parl., Feb. 10, 1914. Pp. 17.

A discussion of recent financial reforms in England, especially the budget of 1909-1910. These reforms are looked upon as a product of a long evolution and as having important lessons for France in the present state of her finances.

PANNETT, H. H. *Federal income tax law of the United States of America*. Journ. Inst. Bankers (London), Feb., 1914. Pp. 14.

PATTERSON, E. M. *Government deposits in the national banks*. Journ. Pol. Econ., Jan., 1914. Pp. 3.

During the last 15 years the deposits of the federal government in national banks have been declining, but the proportion assigned to New York banks has fallen from about 50 per cent to 5 to 8 per cent of the total.

PRENDERGAST, W. A. *Long time vs. short time borrowing*. Am. City, Mar., 1914. Pp. 2.

The present generation should stand more of the burden of public improvements. A great saving in interest could be realized by the use of short-time notes paid when due.

REMOND, P. *L'impôt foncier des forêts*. Le Monde Econ., Mar. 14, 1914. Pp. 2.

SALAZAR, S. *La cesion de los bienes del Estado como medio de aumentar la población y proteger las clases menesterosas*. Revista Bimestre Cubana, July-Dec., 1913. Pp. 18, 12, 34.

A useful history of the disposition, by Cuba, of her public domain, with special emphasis upon the social motives involved.

SANDERS, W. *The income tax system*. Finan. Rev. Rev., Mar., 1914. Pp. 9.

Is concerned mainly with a few minor points in the administration of the English income tax.

SCHANZ, G. *Uebersicht über die Zurzeit (1914) in den deutschen Bundesstaaten und Gemeinden geltenden direkten Steuersysteme*. Finanz-Archiv, No. 1, 1914. Pp. 18.

An excellent summary of the main features of the state and local tax systems of German states and cities. Nine types of state systems are recognized, while municipal systems fall into three groups.

SCHIPPEL, M. *Das Budget in Wirklichkeit und in der radikalen Einbildung*. Sozial. Monatsh., Feb. 26, 1914. Pp. 8.

Advocates a larger popular control over budgets. Author would have no expenditure and no revenues, not even for military purposes, authorized for more than a single year. Parliamentary approval of budgets is little more now than a meaningless sanctioning of engagements and plans already undertaken by an administrative bureaucracy.

SELIGMAN, E. R. A. *The federal income tax*. Pol. Sci. Quart., Mar., 1914. Pp. 27.

Finds only two important defects: (1) No attempt was made to distinguish between earned and unearned incomes; and (2) proper administrative methods were not applied to ordinary business measures where stoppage at the source could not be used. The law may be declared to be in many respects superior to any other existing income tax law.

SELIGMAN, E. R. A. *The United States federal income tax*. Econ. Journ., Mar., 1914. Pp. 21.

Practically identical with the article published in the March number of the *Political Science Quarterly*.

SELIGMAN, E. R. A. and MURPHY, J. F. *Halving the tax rate on buildings. Pro and con*. Survey, Mar. 7, 1914. Pp. 6.

Mr. Murphy, Tenement House Commissioner, New York City, states the case in favor of the so-called Herrick-Schaap bill in New York, which would tax improvements on land at one half the rate levied on land. Professor Seligman makes out a strong case against the proposed method.

SENIOR, T. *Le second congrès de réglementation douanière*. Journ. des Econ., Jan., 1914. Pp. 8.

SIEBERT, A. *Ueber die Entwicklung der Reichsfinanzen bis zur Einführung der ersten direkten Reichssteuern*. Zeitschr. f. d. ges. Staatswis., Jan., 1914. Pp. 38.

UPDYKE, F. A. *State budgets*. Am. Pol. Sci. Rev., Feb., 1914. Pp. 5.

Notes on legislation for 1913 which affected budgetary methods in Ohio, New York, North Dakota, and Illinois.

UPDYKE, F. A. *State purchasing agent*. Am. Pol. Sci. Rev., Feb., 1914. Pp. 2.

Notes on recent legislation in New Hampshire and Vermont.

URVILLE, W. *Frankreichs Kommunale Haushalte*. Verwalt. u. Stat., Jan., 1914. Pp. 3.

VUOLLE-APIALA, J. *Die Einnahmen des Grossfürstentums Finnland*. Finanz-Archiv, No. 1, 1914. Pp. 41.

A brief description of each source of revenue—its nature and importance. Almost every known source is represented.

WEINBACH, H. *Die Stempelsteuern der deutschen Bundesstaaten*. Finanz-Archiv, No. 1, 1914. Pp. 92.

A most detailed study of the stamp taxes levied in the German states.

ZAMANSKI, J. *Nos finances*. Mouvement Social, Feb. 15, 1914. Pp. 13.

Expenditures have increased from various causes so that revenues are no longer adequate. Reviews the various methods proposed for restoring equilibrium.

China's political and financial plight. Far Eastern Rev., Nov., 1913. Pp. 14.

The cost of elementary education (England and Wales) for the year 1911-12.

Statistical and Other Memoranda upon Political and Social Questions of the Day. Third Series, No. 13., March, 1914.

Published by the London Municipal Society to show "the urgent necessity for a rearrangement of the system of government grants."

Merchants and the single tax. Real Estate Mag., Mar., 1914. Pp. 7.

Brief of the Merchants' Association of New York against the Herrick-Schaap bill, "halving the tax upon improvements."

Les amortissement et les créations de dettes de 1875 à 1913. Bull. Statist. Légis. Comp., Dec., 1913. Pp. 2.

Statistical tables for English debt.

Le dette publique et son amortissement. Le cours du 3 p. 100 de 1840 à 1912. Bull. Statist. Légis. Comp., Nov., 1913. Pp. 4.

Statistical study of the public debt of Belgium.

Examen du budget du Congo pour 1914. Rapport présenté par le Lieutenant général baron Donny. Bull. Soc. Belge d'Etude Coloniales, Jan., 1914. Pp. 24.

Die Schulden und das reine Vermögen der ungarischen Gemeinden. Volkswirtschaft. Mitteilungen aus Ungarn, Jan., 1914. Pp. 56.

Tariffs and Reciprocity

(Abstracts by Henry R. Mussey)

"BOREAS." *The Australian tariff and industry.* Intern. Rev. Comm. & Indus., Mar., 1914. Pp. 14.

An account of the hearings being held by the Commonwealth Interstate Commission, showing the comparatively small importance of the protected interests and their noisy effectiveness, and arguing that Australia should try to develop extractive industries rather than manufactures, to this end encouraging desirable immigration.

CARONCINI, A. *Intorno alla riforma doganale nord-americana.* Giorn. d. Econ., Dec., 1913. Pp. 39.

An Italian view of the new American tariff act, based, however, largely upon writings of Professor Taussig.

DE' PAOLI, E. *La valorizzazione del caffè nel Brasile.* Rif. Soc., Oct.-Nov., 1913. Pp. 19.

DIEHL, K. *Eine neue Verteidigung der beweglichen Getreidezölle.* Jahrb. f. Nat. Oek., III, 47, 1, 1914. Pp. 10.

A savage attack upon a student of Harms who has been bold enough to advocate a sliding scale of corn duties, to include three distinct tariffs, and who has incidentally criticised Diehl's treatment of the history of the English sliding scale.

EINAUDI, L. *La logica protezionista.* Rif. Soc., Dec., 1913. Pp. 52.

An elaborate polemic reply to the recent high-tariff writings of Colajanni apropos of Italian tariff policy.

MARVIN, W. L. *The tariffs of 1846 and 1857.* Bull. Nat. Assoc. Wool Manfrs., Jan., 1914. Pp. 34.

PFLAUM. *Die Meistbegünstigungsklausel*. Weltwirtsch. Archiv, Jan., 1914.

A general consideration of the most-favored-nation clause and the various methods of limiting its operation and dodging it. Concludes that it is, on the whole, a means of economic and political harmony.

WILLIS, H. P. *The tariff of 1913*. I, II, III. Journ. Pol. Econ., Jan., Feb., Mar., 1914. Pp. 42, 27, 21.

An extended discussion of the new tariff. The first article gives the details of the measure, with some of its legislative history; the second gives a critical estimate of it, on the whole praising it warmly both for its purposes and for its adaptation to industrial conditions, though pointing out some minor flaws, of which free sugar is perhaps chief; the third takes up the income tax, which is damned with faint praise.

WILLS, H. T. *The movement for reform in tariff making*. Am. Employer, Feb., 1914. Pp. 12.

An argument for a permanent tariff commission, and a brief account of the work of the National Tariff Commission Association.

Insurance and Pensions

(Abstracts by Henry J. Harris)

BELLOM, M. *L'évolution de l'assurance sociale en Belgique*. L'Econ. Franç., Feb. 7, 1914. Pp. 2.

Advocates compulsory insurance in the extension of the social insurance laws of Belgium.

BELLOM, M. *Les premiers résultats de la nouvelle loi anglaise d'assurance sociale*. Journ. des Econ., Feb. 13, 1914. Pp. 19.

Fourth article on this subject. Obligatory state insurance against unemployment is workable as an administrative problem. Compulsory insurance does not destroy voluntary insurance. Time of operation too short to indicate how fully the insurance relieves distress due to unemployment.

VON BOROSINI. *What European nations are doing in maternity insurance*. Survey, Mar. 14, 1914. Pp. 2.

Brief statement of the provisions of the laws of Germany, Austria, Denmark, Norway, Sweden, Hungary, Switzerland, France, and Italy.

BOURGEOIS, L. *L'organisation internationale de la prévoyance sociale*. Bull. d. Assur. Sociales, Feb., 1914. Pp. 28.

Industry, commerce, etc. no longer recognize national boundaries; the various phases of social insurance must in harmony with economic conditions be organized on an international scale.

CAMERON, F. J. *Whole life non-profit insurance*. Journ. Inst. Actuaries, Jan., 1914.

Discusses the general principles of office premiums, reserve values, surrender values, and paid-up policies. Gives formulas for each of these.

COMAN, K. *Insurance against unemployment in Norway and Denmark*. Survey, Mar. 14, 1914. Pp. 3.

After describing the operation of the system, concludes: "the Danes have demonstrated two truths; first, that unemployment is the most frequent cause of pauperism, and second, that insurance is the most effective remedy for unemployment."

COMAN, K. *The problems of old age pensions in England*. Survey, Feb. 21, 1914. Pp. 3.

Gives the history and discusses the operation of the old-age pension act of 1908; conclusion is, "A system that gives inadequate care to its beneficiaries, makes slight distinction between the worthy and unworthy, and puts no premium upon thrift can hardly fail to demoralize the class it was intended to help."

ELDERTON, W. P. *Approximate valuation of endowment assurances*. Journ. Inst. Actuaries, Jan., 1914. Pp. 32.

Tests given of brief method of obtaining valuation of endowment policies.

FLACK, H. E. *Workmen's compensation*. Am. Pol. Sci. Rev., Feb., 1914. Pp. 8.

Summarizes the accident compensation laws recently passed by Connecticut, Oregon, and West Virginia.

GUENTHER, A. *Rundschau über das Versicherungswesen*. Ann. f. Soz. Pol., III, 3-4, 1914. Pp. 30.

Discusses the investment of the accumulated reserves of the German social insurance system, the conflicts between the physicians and the sick funds; and reviews the first report on the operation of the British unemployment insurance system.

KENCHINGTON, C. W. *The elements of actuarial science*. Accountant, Jan. 24, 1914. Pp. 5.

A brief statement of the tables used by actuaries.

KLEIN, G. A. *Die Neuorganisation der Krankenversicherung*. Reichs-Arbeitsblatt, Feb., 1914. Pp. 2.

Shows distribution of insured persons among various types of sick funds under the new system introduced by the code of 1911.

MANLY, H. W. *A novel superannuation scheme*. Journ. Inst. Actuaries, Jan., 1914. Pp. 12.

The scheme proposed by a departmental committee of New South Wales for the pensioning of its employees is characterized by the writer as compulsory insurance. Every member is compelled to insure a deferred annuity for himself, a survivorship annuity for his widow, and provision for his children under sixteen, the employer to pay half of the premiums.

MICHELIS-LINDNER, G. *Die italienische Mutterschaftsversicherung und ihre Bedeutung*. Archiv f. Sozialwis. u. Sozialpol., Jan., 1914. Pp. 22.

The maternity insurance law of July 17, 1910, is reviewed with favorable comment.

MORGENROTH, W. *Städtische Arbeitslosen-Versicherung. Ein Beitrag zu ihren statistischen Grundlagen.* Allgemeines Statist. Archiv, VII, 2, 1914. Pp. 52.

Gives the experience of a few unemployment insurance funds, showing the amount of unemployment by occupations.

POTTHOFF-DUESSELDORF, H. *Wer trägt die Kosten der sozialen Versicherung?* Soz. Praxis, Jan. 8, 1914. Pp. 2.

The author's estimate is that the expense to the three parties is, employers 560, insured persons 510, and state, 80 millions of marks.

RUBINOW, I. M. *The New York compensation act.* Survey, Feb. 21, 1914. P. 1. Enumerates defects of the act and suggests reforms.

SCHOOLING, W. *Insurance in Great Britain and America.* II, III. Intern. Rev. Comm. & Indus., Jan., Feb., 1914. Pp. 4, 6.

The practice of guaranteed surrender values for life policies, is rare in England and Scotland, but should be developed to the same extent as in America.

STIER-SOMLO, F. *Die sozialpolitischen Gesichtspunkte bei der Organisation der Krankenkassen.* Ann. f. Soc. Pol., III, 3-4, 1914. Pp. 19.

The types of sickness insurance funds show that in drafting the code of 1911 the law-making body made many compromises on the ground of expediency. Further centralization is desirable.

UMBREIT, P. *Die neuen Methoden der Arbeitslosenversicherung.* Sozial. Monatshf., Mar. 12, 1914. Pp. 7.

Recent developments in unemployment insurance show a tendency to extend the Ghent system.

VAILLE, G. *Administering mothers' pensions in Denver.* Survey, Feb. 28, 1914. Pp. 3.

A review of one year's operation of the Colorado act of 1913, under which pension payments were begun in March, 1913. Writer holds that the act has had a beneficial effect.

VILLARD, H. G. *State vs. private insurance in Holland.* N. Y. Times Annalist, Feb. 9, 1914. P. 1.

Writer claims that industrial accident insurance in Holland is provided at less expense and with greater efficiency by the employers' mutuals than by the state bank.

VLIBERGH, M. E. *Agricultural accident insurance in Belgium.* Mo. Bull. Econ. & Soc. Intelligence, Feb., 1914. Pp. 14.

General review of experience under the law of December 24, 1903. Gives statistics of operations of two mutual funds.

WILSON, J. *The coöperative insurance of live-stock in England and Wales.* Journ. Royal Stat. Soc., Jan., 1914. Pp. 14.

Experience of British mutuals in cow and pig insurance, with rates now charged.

WISSEL, R. *Krankenkassen und Aerzte.* Sozial. Monatshf., Feb. 26, 1914. Pp. 6.

Greater freedom in the choice of physicians means higher expense to the sick funds.

Industrial insurance. I. *The system.* II. *What can be done.* New Statesman, Mar. 21, 28, 1914. Pp. 2, 1.

Popular description of the system of "industrial" insurance; it should be reformed by prescribing the rates and making the terms of the policies more liberal. Eventually the state should take over the business as a monopoly.

Medical remuneration under the insurance act. New Statesman, Feb. 21, 1914.

The remuneration of the physicians is higher than it should be; the service should be extended.

Seamen's pensions in Italy. Labour Gazette (London), Feb., 1914. P. 1.

Under law of June 22, 1913, a fund providing old-age and invalidity pensions has been created, and began operations January 1, 1914. Compulsory contributions from ship-owners and seamen, with small subsidy from state, as well as several other classes of receipts.

The working of the insurance act. New Statesman, Mar. 14, 1914, Special Supplement. Pp. 31.

The interim report of the committee of enquiry, instituted by the Fabian Society in 1913; finds much to criticise, but offers a number of constructive suggestions.

Arbeitslosenversicherung in Europa. Reichs-Arbeitsblatt, Dec., 1913, Supplement.

Tabular statement of the types of unemployment insurance in operation in the various countries.

Der gegenwärtige Stand der Arbeitslosenfürsorge und Versicherung. Bull. de l'Assoc. Intern. pour la Lutte contre le Chômage, Jan.-Mar., 1914. Pp. 239.

A series of reports and papers on this subject, prepared for the Ghent (1913) conference on unemployment.

Population and Migration

(Abstracts by William B. Bailey)

CORRIDORE, F. *Dell'estrema longevità.* Riv. Intern., Dec., 1913. Pp. 13.

A study of the circumstances of death at advanced age based on records of 140,000 deaths in Rome in 1899-1912.

DUNLOP, J. C. *The fertility of marriage in Scotland: a census study.* Journ. Royal Statist. Soc., Feb., 1914. Pp. 40.

Of very great interest and value concerning the effect of the age at marriage and the duration of marriage upon the size of family in Scotland. Material taken from the last census.

GOLDENWEISER, E. A. *The mother tongue inquiry in the census of population.* Quart. Pubs. Am. Stat. Assoc., Dec., 1913. Pp. 8.

For the first time the census included in its population schedule an inquiry as to mother tongue in addition to that concerning country of birth. Results of this inquiry, in brief form.

GRIZZIOTTI-KRETSCHMANN, J. *L'emigrazione in Siberia e la sua organizzazione*. Giorn. d. Econ., Nov., 1913. Pp. 34.

Causes, circumstances, and results of Russian emigration to Siberia, which in very recent years has assumed great proportions.

GUIERAS, J. *Estudios demográficos: aclimatacion de la raza blanca en los tropicos*. Revista Bimestra Cubana, Nov.-Dec., 1913. Pp. 18.

The director of the Bureau of Sanitation of Cuba seeks to prove, partly on the basis of the statistics gathered by his office, that the white races can be completely acclimated in the American tropics.

GUIERIX, L. *Peuple sans Dieu, foyers sans enfants*. Mouv. Social, Feb. 15, 1914. Pp. 14.

The second series of articles which endeavor to show that the fecundity is the lowest in non-Catholic countries and highest in Catholic countries and in those sections of a country where the largest proportion of the population is Catholic.

HANSEN, S. *The inferior quality of the firstborn children*. Eugenics Rev., Oct., 1913.

HILL, J. A. *Comparative fecundity of women of native and foreign parentage in the United States*. Quart. Pubs. Am. Stat. Assoc., Dec., 1913. Pp. 22.

An extremely well written digest of the monograph on the comparative fecundity of women of native and foreign parentage which appeared in vol. 28 of the *Report of the Immigration Commission*. Since this is the first study of the kind which has ever been made by the Census Bureau, it deserves careful study.

INSOLERA, F. *Sulla mortalità degli invalidi*. Giorn. d. Econ., Oct., 1913. Pp. 32.

A study of the death-rates of persons incapacitated for work, with chief reference to German insurance statistics.

VON KAMEKE, K. O. *Ueber den Rückgang der Geburtenziffern im Kreise Ober-Barnim*. Schmollers Jahrb., No. 1, 1914. Pp. 26.

Ober-Barnim is within the territorial jurisdiction of the city of Berlin and this study covers the twenty-year period of 1891 to 1910. The fall in the birth-rate is first made evident; then follows a discussion of the causes of the decline, concluding that it is probably due to an intentional limitation of the number of children.

KOPF, E. W. and DUBLIN, L. I. *An experiment in the compilation of mortality statistics*. Quart. Pubs. Am. Stat. Assoc., Dec., 1913. Pp. 8:

The results of an attempt made by the Metropolitan Life Insurance Company to obtain more accurate statements as to the causes of death reported in the first instance by a physician to the company. The results show that in a large proportion of cases the causes of death were not accurately returned.

PRINZING, F. *Bevölkerungsentwicklung in Ireland*. I, II. Zeitschr. f. Socialwis., Jan., Feb., 1914. Pp. 11, 7.

I. Confined almost entirely to a historical sketch of the political and social conditions in Ireland during the past two centuries, together

with the changes in population in the different provinces. II. The statistics of birth, marriage, and death are considered, and a careful study is made of the age at marriage. The causes of the decline in the Irish population are quite apparent.

ROSS, E. A. *Racial consequences of immigration*. Century, Feb., 1914. Pp. 8.

The ill effect upon American physique and character of the vast immigration of the past few years. A warning to this country to adopt restrictive legislation.

SINGH, S. N. *The Indian immigration crisis in South Africa*. Fortn. Rev., Mar., 1914.

SNOW, E. C. *Note on a possible source of fallacy in the interpretation of the census figures relating to the fertility of marriages*. Journ. Royal Statist. Soc., Feb., 1914. Pp. 4.

The effect of the age of the husband at marriage upon the size of family in Scotland and Ireland.

STEPHENSON, G. T. *The segregation of the white and negro races in cities*. S. Atlantic Quart., Jan., 1914.

A study of the four types of segregation which have been adopted in cities in the southern states. A timely and interesting article.

STEWART, O. D. *For restriction of immigration*. Am. Employer, Mar., 1914. Pp. 18.

A digest of the debates in Congress upon the bill to establish a literacy test as passed by the National House of Representatives. Reviews the arguments presented for and against the measure without venturing an opinion.

Pauperism and Charities

(Abstracts by Frank D. Watson)

MEYER, H. H. B. *Recent references on state supervision and administration of charities and correction*. Special Libraries, Jan., 1914.

NORMAND, J. *Les enfants assistés du département de la Seine*. L'Econ. Franç., Mar. 7, 1914. Pp. 2.

Discusses aid to children in the Department of the Seine, number and classes helped, expense, agencies, etc.

NORMAND, J. *Les nouvelles lois d'assistance aux familles nombreuses et aux femmes en couches et leur application à Paris*. L'Econ. Franç., Feb. 21, 1914. Pp. 2.

The law of July 14, 1913, makes provision for assistance for the head of every poor French family having more than three children under thirteen years old. Other laws of 1913 provide for women at the time of their lying-in.

SHARP, L. V. *Industrial disputes and relief of distress*. Charity Organ. Rev., Jan., 1914. Pp. 7.

A plea for the careful distribution of relief funds based on principles of coöperation and investigation at times of strikes and industrial warfare as in all ordinary relief work.

SHEFFIELD, A. E. *Administration of the mothers' aid law in Massachusetts*. Survey, Feb. 21, 1914. Pp. 2.

Describes the law which went into effect Sept. 1, 1913, under the general supervision of the State Board of Charity and the Overseers of the Poor.

WEBB, S. *The extension ladder theory of the relation between voluntary philanthropy and state or municipal action*. Survey, Mar. 7, 1914. Pp. 4.

The proper relation between voluntary philanthropy and government action, from the very nature of the two, should depend on a division of functions, the public authorities enforcing a minimum standard of life, voluntary agencies extending this work upward to finer shades of physical, moral, and spiritual perfection.

Socialism

BOURGIN, G. *Materialien zur Geschichte des Cabetismus unter dem zweiten Kaiserreich*. Archiv f. d. Gesch. d. Soz., IV, 3, 1914.

BUNZEL, J. *Die erste Lassallebewegung in Oesterreich*. Zeitschr. f. Volkswirts., No. VI, 1913.

HILLQUIST, M. and RYAN, J. A. *Socialism*. V. Everybody's, Feb., 1914.

JUNGHANN. *Sozialismus in Australien*. Zeitschr. f. d. ges. Staatswis., Jan., 1914.

KAMPFMEYER, P. *Marxismus und Ethik*. Sozial. Monatshf., Feb. 26, 1914.

LABOUCHERE, H. and MASON, A. E. W. *Social democracy in Germany*. Edinb. Rev., Nov., 1913.

LAIR, M. *Bebel*. Rev. Sci. Pol., Feb., 1914.

LEMOZIN, M. *Socialisme et socialistes*. Mouv. Social, Oct., Nov., 1913.

MEHRING, F. *August Bebel. Persönliche Erinnerungen*. Archiv f. d. Gesch. Soz., IV, 2, 1913.

MEHRING, F. *Sozialistische Lyrik*. G. Herwegh. F. Freiligrath. H. Heine. Archiv f. d. Gesch. Soz., IV, 2, 1913.

MICHEL, R. *Des patriotische Sozialismus oder sozialistische Patriotismus bei Carlo Pisane*. Archiv f. d. Gesch. Soz., IV, 2, 1913.

NETTLAU, M. *Bakunin und die Internationale in Spanien 1868-1872*. Archiv f. d. Gesch. Soz., IV, 2, 1913.

ONCKEN, H. *Neue Lassalle-Briefe*. Archiv f. d. Gesch. Soz., IV, 3, 1914.

DE PREAUDEAU, M. *Les origines du mouvement socialiste belge (1864-1878)*. Rev. Sci. Pol., Sept.-Oct., Nov.-Dec., 1913.

RJASANOFF, N. *Zur Biographie von Johann Philipp Becker. Sein Curriculum vitae bis 1856*. Archiv f. d. Gesch. Soz., IV, 2, 1913.

SKINNER, R. D. *Socialism and economics*. Forum, Feb., 1914.

Housing

(Abstracts by James Ford)

ARONOVICI, C. *Housing conditions in New Haven*. Doc. Civic Fed. N. H., No. 12, Oct., 1913. Pp. 48.

A careful housing survey covering 1,427 apartments in 256 buildings. Contains study of rents by size of apartment. Connecticut laws concerning tenement houses, as amended in 1913, are included.

ARONOVICI, C. *Cost of a decent home*. Forum, Jan., 1914. Pp. 4.

Urges federal study of housing problem.

ARONOVICI, C. *Housing and city planning*. Journ. Am. Inst. Architects, Jan., 1914. Pp. 10.

BEER, G. F. *How to get cheap houses*. Am. City, Jan., 1914. Pp. 4.

Toronto city council guarantees 40-year bonds of Toronto Housing Company.

EDWARDS, A. T. *A further criticism of the garden city movement*. Town Planning Rev., Jan., 1914. Pp. 7.

"The main counts of the indictment of garden cities" are that "the type of development does not lead to beauty, convenience, or economy."

ELY, R. T. *Ulm on the Danube*. Survey, Dec. 6, 1913. Pp. 6.

Treatment of municipal land and housing policies.

FLEET, G. *The urban housing problem*. Edinb. Rev., Nov., 1913.

IHLDER, J. *Housing in the South*. Survey, Nov. 1, 1913. Pp. 5.

KYFFIN-TAYLOR. *Liverpool housing policy*. Munic. Journ., Jan. 2, 1914. Pp. 2.

A defense by the chairman of the Liverpool Housing Committee.

MARLBOROUGH. *Rural cottages and public money*. Finan. Rev. Rev. (London), Jan., 1914. Pp. 4.

Argument that Insurance Reserve Fund should not be used by the state to build cottages for agricultural laborers.

READE, C. C. *A defence of the garden city movement*. Town Planning Rev., Oct., 1913. Pp. 7.

Deals chiefly with architecture and sanitation.

STREHLOW. *Zum Entwurf eines Wohnungsgesetzes*. Jahrb. f. Nat. Oek., III, 47, 1, 1914. Pp. 12.

Text of draft of Prussian housing law, with detailed criticism.

WOOD, E. E. *From Washington alleys*. Surveys, Dec. 6, 1913. Pp. 3.

Includes estimate of profits.

Articles on city planning and housing. Am. City, Dec., 1913. Pp. 10.

Bradford town planning and housing competition. Town Planning Rev., Jan., 1914. Pp. 5.

Plans for development of a 50-acre estate with cottages designed to cost £163, £183, £242, and £292. Illustrated.

Cottage building in a rural district. Char. Organ. Rev. (London), Nov., 1913. Pp. 6.

Describes experiment in building cottages for middle classes.

The cottage controversy, cottage societies and building costs. Garden Cities & Town Planning Mag., Nov., 1913. Pp. 11.

Photographs, plans, and specifications of cottages recently constructed in England for from £100 to £220.

The garden city movement in 1913. Garden Cities and Town Planning Mag., Dec., 1913. Pp. 3.

"At present the total population on these estates is 45,000 housed in 11,500 houses. Area covered is 2,500 acres. £3,500,000 has been spent."

The first dividend. Garden Cities & Town Planning Mag., Feb., 1914. Pp. 4.

Table showing details of growth of Garden City, Litchworth, England.

Housing conditions and tendencies in Grand Rapids, Michigan. Rept. Housing Com. Char. Organ Soc. Grand Rapids, Feb.-June, 1913. Pp. 47.

Deals solely with sanitary aspects of local housing.

The rural housing problem. Economist, Nov. 15, 1913.

The state as a housebuilder and landlord. London Munic. Soc. Statist. Memo., Third series, No. 9, Dec., 1913. Pp. 8

Arguments against state housing.

Stimmen zum preussischen Wohnungsgesetzentwurf. Soz. Praxis, Oct. 23, 1913. Pp. 3.

Monthly Bulletin of the American Iron and Steel Institute. Sept., 1913. Pp. 50.

Devoted to photographs of housing of employees by employers.

Statistics

(Abstracts by A. A. Young)

A. J. *En Formel for angivelsen af Befolkningens Koncentration.* Nat. ök. Tids., July-Aug., 1913. Pp. 10.

Suggests a formula for determining the concentration of population for purposes of comparison.

AUERBACH, F. *Die Variationskurve in der Biologie.* Zeitschr. f. induktive Abstammungs-Verebungslehre, XI, 1913. Pp. 18.

An elementary and rather unappreciative account of biometric methods.

BAINES, J. A. *The census of the empire, 1911.* Journ. Royal Statist. Soc., Mar., 1914. Pp. 26.

There has been enough progress toward uniformity of schedules and tabulation in the censuses of different parts of the British Empire to make comparisons with respect to such fundamental facts as sex, race, and birthplace possible for a large portion of the total area.

BELLOM, M. *La statistique internationale de l'assurance contre l'invalidité.* Journ. Soc. Stat., Jan., 1914. Pp. 16.

The concluding instalment of this important study. The subject with which it deals has been taken in hand by a special committee of the International Statistical Institute, with M. Bellom as secretary.

DE BRAY, A. J. *La réforme des statistiques canadiennes.* Rev. Econ. Canadienne, Feb., 1914. Pp. 7.

An abstract of the report of the recent Ministerial Commission on the Official Statistics of Canada.

BROWN, J. W., GREENWOOD, M., JR., and WOOD, F. *A study of index correlations*. Journ. Royal Statist. Soc., Feb., 1914. Pp. 29.

A study of the extent and causes of the differences between correlation coefficients computed for indices (ratios) and for absolute numbers. An illustration is the correlation between the absolute number of deaths from diabetes and from cancer in different registration districts (corrected for a constant population) compared with the corresponding correlation of death rates. The difference is attributed to differences in the respective regression surfaces. For many purposes the uncorrected index correlation is sufficiently adequate.

DEL VECCHIO, G. *Induzioni statistiche per la teoria della circolazione*. Giorn. d. Econ., Dec., 1913. Pp. 29.

EDGEWORTH, F. Y. *On the use of analytical geometry to represent certain kinds of statistics*. Journ. Royal Statist. Soc., Feb., Mar., 1914. Pp. 13, 17.

An exposition of the practicability of reaching a general expression for a wide range of frequency distributions by means of the method of "translation," which consists, essentially, in multiplying the values of x in a normal curve by a quadratic expression. These two first instalments are largely devoted to methods of evaluating the two constants of the operator when the data are given in the form of moments and when the distributions are (1) slightly, or (2) moderately, abnormal.

GINI, C. *L'uomo medio*. Giorn. d. Econ., Jan., 1914. Pp. 24.

A brilliant address (inaugural in the chair of statistics at the University of Padua). Concludes that Quetelet's concept is, as a logical construction, sound; as a type of biological equilibrium, inadequate; as an esthetic ideal, a standardizing or "centripetal" factor; as a standard of perfection, defective.

GUENTHER, A. *Zur Geschichte der österreichischen Statistik*. Allgemeines Statist. Archiv, VII, 2, 1914. Pp. 7.

HOEPKER, H. *Die Fideikomisse in Preussen in Lichte der Statistik*. Zeitschr. d. k. Preuss. Stat. Landesamts, Vol. 54, No. 1, 1914. Pp. 98.

An elaborate study of entails in Prussia, with three cartograms.

KLOSE, W. *Statistische Gesetzgebung und Verwaltung in Deutschland*. Allgemeines Statist. Archiv, VII, 2, 1914. Pp. 37.

An account of the scope and methods of the censuses of population of 1905 and 1910, of the industrial census of 1907, and of the increasing miscellaneous activities of the Imperial Statistical Office. On the last-named topic, cf. *Statistik des Deutschen Reichs*, Bd. 201.

KOREN, J. *Crime—from a statistical viewpoint*. Ann. Am. Acad., Mar., 1914. Pp. 6.

Concludes that under present conditions in the United States "one can at least write safely about crime from a statistical viewpoint without producing any statistics!"

LANDSBERG, O. *Die Methode der Sterblichkeitstafel und ihre Anwendung auf andere statistische Probleme.* Deutsches Stat. Zentralblatt, Jan., Feb., 1914. Pp. 6, 7.

Discusses the possibility of a wider application of the "life-table method" along lines which have already been suggested by Böckh.

MARCH, L. *La statistique des fonctionnaires.* Journ. Soc. Stat., Feb., 1914.

Covering the same ground as the writer's paper in the *Bull. Stat. Gen.*, Oct., 1913, noted in the March number of this REVIEW, p. 272.

NEYMARCK, A. *Les beaux temps de bourse.* Journ. Soc. Stat., Mar., 1914.

An important statistical study of the fluctuations of the prices of the most important classes of securities on the Paris Bourse during the nineteenth century. Concludes that "there is no science of investment."

DE PISSARGEVSKY, L. *La statistique et les conditions professionnelles des ouvrières de l'aiguille en Finlande.* Journ. Soc. Stat., Jan., 1914. Pp. 7.

RADESTOCK, G. *Die Selbstmorde seit 1830.* Zeitschrift d. k. Säch. Stat. Landesamtes, Nov., 1913. Pp. 12.

A thorough study of the statistics of Saxony, where the suicide rate is especially high.

ROESLE, E. *Die Kunst in der Statistik.* Deutsches Stat. Zentralblatt, Jan., 1914. Pp. 2.

SCHMIDT, P. *Bibliographie der Frage des Geburtenrückganges von 1911 ab.* Deutsches Stat. Zentralblatt, Dec., 1913, Jan., Feb., 1914. Pp. 6.

The successive instalments give respectively the titles (1) official statistical publications, (2) important individual discussions in German, (3) publications in other languages.

SEUTEMANN, K. *Die Einheitlichkeit des statistischen Denkens.* Schmollers Jahrb., No. 4, 1913. Pp. 36.

The latest and possibly the best of the numerous German discussions of the logic of the statistical method which have been stimulated by the writings of Rickert and Tschuprow. Seutemann finds the unity of statistics not in the use of the particular form of the inductive method, nor in the "field" of statistics, nor yet in the law of large numbers or the theory of probabilities, but in the "transferability of statistical values (i.e., in the general representative nature of statistical results). To this end "Graunt's law" is subjected to much detailed exegesis.

SLUTSKY, E. *On the criterion of goodness of fit of the regression lines and on the best method of fitting them to the data.* Journ. Royal Stat. Soc., Dec., 1913. Pp. 7.

Based on an application to an uncorrelated system of errors of Pearson's criterion for the reasonable deviation from the probable in the case of a correlated system of variables.

TODD, A. J. *A working program for an adequate system of collecting criminal statistics in Illinois.* Journ. Crim. Law and Criminology, July, 1913.

ELEVENTH LIST OF DOCTORAL DISSERTATIONS IN POLITICAL ECONOMY IN PROGRESS IN AMERICAN UNIVERSITIES AND COLLEGES

Students whose period of continuous non-residence exceeds three years are omitted from the list. The last date given is the probable date of completion.

The first list of this kind was dated January 1, 1904, and was sent to all members, but not regularly bound in the publications. The subsequent lists have appeared in the publications as follows: Second list, 1905, in third series, vol. vi, p. 737; third list, 1906, in third series, vol. vii, no. 3, supplement, p. 43; fourth list, 1907, in third series, vol. viii, no. 2, supplement, p. 42; fifth list, 1908, in the *Bulletin* for April, 1908, p. 69; sixth list, 1909, in the *Bulletin* for April, 1909, p. 16; seventh list, 1910, in the *Bulletin* for March, 1910, p. 12; eighth list, 1911, in the *Review* for March, 1911, p. 212; ninth list, 1912, in the *Review* for June, 1912, p. 519; tenth list, 1913, in the *Review* for June, 1913, p. 527.

Theory and Its History

- JOHN MAXWELL FERGUSON, A.B. Harvard 1908; A.M. Columbia 1909, LL.B. 1911. The economic theories of Henry George. *Columbia*.
- DONALD FREDERICK GRASS, A.B. Harvard 1898, A.M. 1899. Antonio Serra and the beginning of political economy in Italy. 1914. *Leland Stanford*.
- J. ANTON DE HAAS, A.B. Leland Stanford 1910; Meadville Theological School 1910; A.M. Harvard 1911. The wage theories of American economists. 1914. *Leland Stanford*.
- MORRIS HALPERN, A.M. Columbia 1909. A theory of socialization. 1914. *Columbia*.
- S. LEON LEVY, A.B. College of the City of New York 1908. Life and work of Nassau William Senior. 1914. *Columbia*.
- MANUEL LIPPITT-LARKIN, Ph.M. Chicago 1910. Economic theory in Russia. 1914. *Chicago*.
- JOHN EDWARD OSTER, Litt.B. Ohio Northern 1909, LL.B. 1909. The political and economic doctrines of John Marshall. 1914. *Columbia*.
- HENRY SALANT, Ph.B. New York University 1895. Laws and theory of interest and usury. 1914. *Columbia*.
- ELIZABETH A. S. T. STEBBINS, A.B. Barnard 1908; A.M. Columbia 1909. Vanderline: A study in the history of economic theory. *Columbia*.
- NORMAN J. WARE, A.B. McMaster 1908. "L'Ordre naturel" of Le Mercier de la Rivière: A study in functional treatment of the rise of social theory. 1914. *Chicago*.
- RALPH CAHOON WHITNACK, A.B. Brown 1906; A.M. Harvard 1911. Social stratification. *Harvard*.
- EDWARD WIEST, A.B. George Washington 1913. Economic views of Alexander Hamilton. 1914. *Columbia*.
- HENRY WISCHKAEMPER, A.B. Warburg 1906; B.D. Union Theological Seminary 1910. George Simmel: An essay in sociological theory. 1914. *Columbia*.

ARTHUR N. YOUNG, A.B. Occidental 1910; A.M. Princeton 1911. The single tax movement in the United States. 1914. *Princeton*.

Economic History and Geography

CLEMENT AKERMAN, A.B. University of Georgia 1898. Studies in the economic history of the Pacific Northwest. *Harvard*.

ALDEN ANDERSON, A.B. Bethany 1910. History of English trade in the Baltic in the eighteenth century. 1915. *Yale*.

HELEN BOYCE, Ed.B. Chicago 1905. The Duchy of Brunswick under Henry the Younger and his son Julius, 1517-1589. An economic study. 1914. *Chicago*.

WARREN SCOTT BOYCE, A.B. Wake Forest 1903; A.M. Chicago 1907. Some economic history of eastern North Carolina. 1914. *Columbia*.

WLATER L. CLIFTON, Ph.B. Mississippi 1896; A.B. Nashville 1911. Economic development in Mississippi from 1875-1910. 1914. *Columbia*.

FREDERICK CHARLES DIETZ, A.B. Pennsylvania 1909; A.M. Harvard 1912. The condition of the peasant in Würtemberg and the peasant revolt of 1525. *Harvard*.

GROVE SAMUEL DOW, A.B. William Jewell College 1909; A.M. Brown 1911. The social history of Martha's Vineyard. 1914. *Chicago*.

SAMUEL GLOVER DUNSEATH, A.B. Ursinus 1910; A.M. Columbia 1911. An economic interpretation of Hebrew history from the Egyptian Bondage to the Fall of Jerusalem in 70 A.D. 1914. *Columbia*.

FRANCES MARION FAY, A.B. Radcliffe 1912, A.M. 1913. England's trade relations at the end of the seventeenth century. 1915. *Radcliffe*.

HOWARD CHARLES GREEN, A.B. College of the City of New York 1902. The radical movement of the American Revolution. 1915. *Columbia*.

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JOHANN GOTTFRIED OHSOL, Candidate of Commerce, Riga Polytechnic Institute (Russia) 1903. The recent agrarian movement in Russia and its historical background. *Harvard*.

FRANK F. ROSENBLATT, A.B. Columbia 1907, A.M. 1908. The Chartist movement. 1914. *Columbia*.

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- of commerce and industry in Louisiana during the French régime. 1914. *Columbia*.
- C. MILDRED THOMPSON, A.B. Vassar 1903; *Columbia* 1907. The social and economic reconstruction of Georgia. 1914. *Columbia*.
- L. E. YOUNG, B.S. Utah 1895. The social and economic history of Utah under the leadership of Brigham Young. 1914. *Columbia*.

Agriculture, Mining, Forestry, and Fisheries

- EDWARD D. BAKER, A.B. University of Chicago 1903; A.M. *Columbia* 1913. Influences affecting the price of agricultural products in the United States. *Chicago*.
- GLEN A. BEDENKAPF, A.B. Hamilton College 1912. Farm economics. 1914. *Columbia*.
- PERCY WELLS BIDWELL, A.B. Yale 1910. History of agricultural changes in southern New England from 1789 to 1840. 1914. *Yale*.
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- F. L. CUMMINGS, A.B. Chicago 1904, A.M. 1911. The development of prairie agriculture. 1914. *Chicago*.
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- REUBEN MCKITRICK, B.A. Oklahoma 1907. Legislative disposal of public lands in Texas. *Wisconsin*.
- NORMAN S. PARKER, A.B. Chicago 1911. The importance of the Bay of Biscay fisheries in the Middle Ages. 1914. *Chicago*.
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- JAMES MELBOURNE SHORTLIFFE, A.B. Acadia 1909; A.B. Yale 1910. The administration of forest lands in Canada. 1915. *Yale*.
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- HENRY R. TRUMBOWER, B.A. Lehigh 1903; M.A. Princeton 1908. Urban lands and land speculation in Germany and America. 1915. *Wisconsin*.

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- ARTHUR HARRISON COLE, A.B. Bowdoin 1911; A.M. Harvard 1913. The history of the woolen manufacturing industry in the United States. *Harvard*.

- LLOYD MORGAN CROSGROVE, A.B. Indiana 1909; A.M. Harvard 1911. Social and industrial aspects of the American glass industry. *Harvard*.
- WILLIAM J. A. DONALD, A.B. McMaster 1910. The iron and steel industry in Canada. 1914. *Chicago*.
- CLYTUS ALLEN FREEMAN, B.A. Albion 1909, M.A. 1910. Early packing industry in Illinois. 1914. *Wisconsin*.
- CHARLES FREDERICK KURTZ, A.B. Highland Park 1912. The glass industry in the United States. 1916. *Iowa*.
- F. S. LOVE, A.B. Trinity 1908. The paper industry. 1914. *Columbia*.
- LEVERING TYSON, A.B. Gettysburg 1910; A.M. Columbia 1911. The history of newspaper organization in the United States 1914. *Columbia*.
- LYMAN B. VEEDER, A.B. Princeton 1910; A.M. Columbia 1912. The history of the rubber industry in the United States. 1915. *Columbia*.

Transportation and Communication

- ISRAEL SAMUEL ADLERBLUM, A.B. College of the City of New York 1908; A.M. Columbia 1909. The valuation of railways. 1914. *Columbia*.
- WILLIAM EDWARD COX, B.A. Texas 1909, M.A. 1910. The united railways of San Francisco. A criticism of the financial organization and management. 1914. *Leland Stanford*.
- PHILIP BENJAMIN KENNEDY, A.B. Beloit 1905; Litt.B. Occidental 1906; A.M. Harvard 1911. The history of the Northern Pacific Railroad. *Harvard*.
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- WESLEY EVERETT RICH, A.B. Wesleyan 1911, A.M. 1912. The history of the post office in the United States. *Harvard*.
- WILLIAM A. SHELTON, A.B. Georgia 1908; A.M. Chicago 1912. Freight rates in official territory and eastern Canada. *Harvard*.
- ARCHIBALD W. TAYLOR, A.B. Doane 1902; A.M. Wisconsin 1910. The long and short haul clause. 1914. *Chicago*.
- HOMER BEWS VANDERBLUE, A.B. Northwestern 1911, A.M. 1912. Railroad valuation. *Harvard*.
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Trade, Commerce, and Commercial Crises

- O. G. CARTWRIGHT, A.B. Yale 1893, A.M. 1901. A history of the American consular system. 1914. *Columbia*.
- WILLIAM CLIFFORD CLARK, A.M. Queen's 1910. The history of the Canadian grain trade. *Harvard*.
- WILLIAM WILSON CUMBERLAND, A.B. Occidental 1912; A.M. Columbia 1913. Coöperative marketing. 1914. *Columbia*.

- WILFRED ELDRED, A.B. Washington and Lee 1909, A.M. 1909; Harvard 1911. Wheat production and the wheat and flour trade in the United States since 1860. *Harvard*.
- FRIEDA FIGELMAN, A.B. Wisconsin 1910. The industrial seasons. 1914. *Columbia*.
- DAVID S. HANCHETT, A.B. Wisconsin 1910. Government aid and regulation of commerce in the United States. 1914. *Pennsylvania*.
- HERBERT W. HESS, A.B. Northwestern 1904. Factors of selling as relating to economic progress. 1914. *Pennsylvania*.
- WARREN F. HICKERNELL, A.B. Ohio Northern 1908; A.M. Yale 1909. Railroad management. 1914. *Yale*.
- RUSSELL WEISMAN, A.B. Western Reserve 1912. Economic conditions preceding and following the panic of 1907. *Harvard*.

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- AUGUSTUS O. BOURNE, JR., B.S. New York University 1905; A.M. Columbia 1906. Stock watering in New York City. 1914. *Columbia*.
- HORACE BOOKWALTER DEURY, A.B. Otterbein 1910; A.M. Columbia 1913. Scientific management. 1915. *Columbia*.
- FRANK C. LAUBACH, A.B. Princeton 1909; A.M. Columbia 1911. The theory of collective efficiency. 1914. *Columbia*.
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- THEODORE A. WANERUS, B.A. Iowa 1910, M.A. 1912. Economics of advertising. 1916. *Iowa*.
- HARVEY ALDEN WOOSTER, A.B. Wesleyan 1909, M.A. 1910. The development of mercantile organization in New England. 1915. *Yale*.

Capital and Capitalistic Organizations

- EDWARD M. ARNOS, S.B. Lima 1907; A.M. Clark 1908. The policy of the states toward the trusts. 1915. *Chicago*.
- THOMAS A. BEAL, A.B. Utah 1906. The valuation of franchises. 1914. *Columbia*.
- LEE BIDGOOD, B.A. Virginia 1905, M.A. 1906. Bogus independent concerns; a study in trust methods. 1914. *Wisconsin*.
- LUCIUS ARNOLD FRYE, A.B. Minnesota 1907, A.M. 1908; B.C.L. Oxford 1911. The commission system of the control of public service corporations in the city and state of New York. 1914. *Columbia*.
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Labor and Labor Organizations

- J. H. ASHWORTH, A.B. Emory and Henry 1906. The "helper system" and American trade unions. 1913. *Johns Hopkins*.
- C. C. CALDWELL, A.B. Roanoke 1905, A.M. 1908. Industrial licensing and American trade unions. 1913. *Johns Hopkins*.
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- PAUL STANLEY COLLIER, A.B. Iowa 1911, A.M. 1912. A study of minimum wage legislation. 1915. *Columbia*.
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- ALEXANDER FLEISHER, A.B. Pennsylvania 1908; A.M. Wisconsin 1911. The enforcement of labor laws with special reference to child labor. 1913. *Columbia*.
- ETHEL LIZZIE GOODWIN, A.B. Barnard College, 1909, A.M. 1910. Wage boards as a remedy for the sweating system. 1914. *Columbia*.
- E. H. HAHNE, A.B. Nebraska 1911, LL.B. 1913. Trade unions and discipline. *Harvard*.
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- HENRY ELMER HOAGLAND, A.B. Illinois 1910, A.M. 1910. Development of American trade unionism from 1845-1865. 1914. *Columbia*.
- MARIE HOURWICH, Nijni-Novgorod Gymnasium (Russia) 1905. The history of the Cigar Makers' International Union. 1914. *Johns Hopkins*.
- GRAHAM C. HUNTER, A.B. Princeton 1904. Chinese contract labor in Hawaii. 1914. *Columbia*.
- EMILIE JOSEPHINE HUTCHINSON, A.B. Barnard 1905; A.M. Columbia 1908. Women's wages in the United States. 1914. *Columbia*.
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- H. W. LAIDLER, A.B. Wesleyan 1907; LL.B. St. Lawrence 1910. Boycotts in labor disputes Published. *Columbia*.
- JOHN BACON LEEDS, B.S. Haverford 1895; A.M. Pennsylvania 1910. The economic value of household work. 1914. *Columbia*.
- RICHARD S. McCABE, A.B. Johns Hopkins 1911. The effect of trade unions on wages. 1915. *Johns Hopkins*.
- SCOTT HENRY PERKY, B.S. 1908; A.M. Cornell 1909. Mental effects of industrial occupations. 1915. *Columbia*.
- LEONA M. POWELL, A.B. Ohio Wesleyan 1905. Factory inspection. 1915. *Chicago*.
- EDWIN CLYDE ROBBINS, A.B. Iowa 1910, A.M. 1912. The conductors: a study in organized railway labor. 1914. *Columbia*.

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- DAVID P. SMELSER, A.B. New Windsor 1912. Unemployment and American trade unions. 1915. *Johns Hopkins*.
- J. NOBLE STOCKETT, JR., A.B. Johns Hopkins 1911. The arbitral settlement of labor disputes. 1916. *Johns Hopkins*.
- LORIN STUCKEY, A.B. Miami 1906; A.M. Columbia 1907. Organized labor in Iowa. 1915. *Iowa*.
- ARTHUR E. SUFFERN, B.S. Teachers 1909; A.M. Columbia 1910. Conciliation and arbitration in the coal industry in the United States. 1914. *Columbia*.
- EDWIN H. SUTHERLAND, A.B. Grand Island 1904. Employment agencies. 1914. *Chicago*.
- LESLIE VICKERS, A.B. Sydney (N.S.W.) 1908; A.M. Glasgow (Scotland) 1910; B.D. Union Theological Seminary 1911. The arbitration court in Australia. 1914. *Columbia*.
- WALTER CARROTHIERS WEIDLER, B.A. Ohio State 1913. A study of unemployment in Ohio. *Ohio*.
- WILLIAM O. WEYFORTH, JR., A.B. Johns Hopkins 1912. The organizability of labor. 1915. *Johns Hopkins*.
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Money, Prices, Credit, and Banking

- WILLIAM JOSEPH HENRY COTTON, A.B. Temple 1906; A.M. Pennsylvania 1911. A study of selected family budgets in the northeast section of Philadelphia. 1914. *Pennsylvania*.
- JOHN F. EBERSOLE, Ph.B. Chicago 1907; A.M. Harvard 1909. History of the national banking system from 1864-1874. 1914. *Chicago*.
- CHU CHAO HSEIN, B.C.S. New York University 1911; A.M. Peking University (China) 1907; A.M. Columbia 1911. A central bank for China. 1914. *Columbia*.
- ESTHER L. LITTLE, A.B. Smith 1903; A.M. Pennsylvania 1912. A study of selected family budgets in the northeast section of Philadelphia. 1914. *Pennsylvania*.
- CHARLES RUDOLPH NESBITT, B.A. Kansas 1911, M.A. 1912. Guarantee of deposits of banks in Kansas and Oklahoma; a comparative study of the workings and results of the guaranty laws of the two states. 1915. *Wisconsin*.
- J. H. OBER, A.B. Princeton 1909. Mutual savings banks in the United States 1915. *Johns Hopkins*.

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- CLEANTHES VASSARDAKIS, LL.D. National University of Athens 1910; S.D. University of Geneva 1908. The bank of Greece. 1914. *Chicago*.
- WEU PIU WEI, A.B. Pekin University (China) 1908; A.B. Amherst 1910, A.M. 1911. The Chinese currency problem. In press. *Columbia*.

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- NICOLAS P. AGHNIDES, LL.B. Ottoman Law School 1909; A.M. Columbia 1913. Mohammedan theories of finance. 1914. *Columbia*.
- SEICHI AMANO, A.B. Doshisha College (Tokio, Japan) 1892; A.M. Columbia 1906. Recent Japanese finance. 1914. *Columbia*.
- HAROLD HICHENS BURBANK, A.B. Dartmouth 1909, A.M. 1910. The history of taxation in Massachusetts since 1775. *Harvard*.
- SHAO-KWAN CHEN, Graduate Peking University (China) 1908; A.M. Columbia 1911. The Chinese taxation system in the 19th century. In press. *Columbia*.
- LLOYD MORGAN CROSGRAVE, A.B. Indiana 1909; A.M. Harvard 1911. The glass industry in the United States, with special reference to the tariff. 1914. *Columbia*.
- FREDERIC B. GARVER, A.B. Nebraska 1909. The subvention in American state finance. 1914. *Chicago*.
- ROBERT M. HAIG, A.B. Ohio Wesleyan 1908; A.M. Illinois 1909. A history of taxation in Illinois. In press. *Columbia*.
- JOHN GOODWIN HERNDON, B.S. Washington and Lee 1911, M.A. 1912. The Wisconsin income tax law, its administration and significance. *Wisconsin*.
- CHARLES H. HIGGINS, C.E. Princeton 1903. Valuation of property. 1915. *Columbia*.
- S. KITABAWA, A.B. Waseda 1910; A.M. North Carolina 1911. The history and growth of national indebtedness in Japan. 1914. *Johns Hopkins*.
- ARNOLD WARBURTON LAHKE, A.B. Harvard 1911, A.M. 1912. The increase of public expenditures in the United States. *Harvard*.
- YIN CHIN MA, A.B. Yale 1910. The finances of the city of New York. In press. *Columbia*.
- WALLACE MITCHELL McCLURE, A.B. Tennessee 1910. Public finance in Tennessee. 1915. *Columbia*.
- W. G. McLOUGHLIN, A.B. College of St. Francis Xavier 1907; A.M. Columbia 1911. The taxation of corporations in New Jersey. 1914. *Columbia*.
- J. G. RANDALL, A.B. Butler 1904; A.M. Chicago 1904. Confiscation of property during the Civil War. 1914. *Chicago*.
- JAMES HARVEY ROGERS, A.B. South Carolina 1906, B.S. and M.A. 1907; A.B. Yale 1909. Mathematical investigation of the shifting and incidence of taxation. 1915. *Yale*.
- YETTA SCHEFTTEL, A.B. Northwestern 1908; A.M. Chicago 1909. The theory and practice of land taxation. *Chicago*.
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- K. E. YOUNG, A.B. St. John's College (Shanghai) 1909; A.M. Columbia 1913. The income tax. 1915. *Columbia*.

Population and Migration

- SIDNEY L. CHANDLER, A.B. Morningside 1899; A.M. Iowa 1901. Amalgamation of the Iberic with other racial groups in the United States with special reference to the South Italians. 1914. *Columbia*.
- JAMES LEVI DEMING, A.B. Cincinnati 1889; A.M. Bethany 1900. Graduate Student, Yale 1908-10. Immigration to the United States 1776-1820. A critical study of its causes and effects. 1914. *Columbia*.
- JOHN OSCAR HALL, A.B. Denver 1903; A.M. 1905. The Norse immigration. 1914. *Columbia*.
- HENRY HORACE HIBBS, JR., A.B. Brown 1910, A.M. 1911. A study of infant mortality in Boston, with especial reference to four wards. 1914. *Columbia*.
- YAMATO ICHIHASHI, A.B. Leland Stanford 1907, A.M. 1908. History of Japanese immigration into the state of California. *Harvard*.
- SAMUEL L. JOSEPH, A.B. College of the City of New York 1902. Jewish immigration to the United States. 1914. *Columbia*.
- ELI FRANKLIN LEE, A.B. Trinity 1905; A.M. Columbia 1908. The social solidarity of the South. 1914. *Columbia*.
- R. B. MURAVCHIK, Certificate Gym. Kief (Russia) 1903; A.M. Columbia 1913. Modern civilization and the declining birth-rate. 1915. *Columbia*.
- NELLIE SEEDS NEARING, A.B. Bryn Mawr 1908; A.M. Pennsylvania 1910. Education and fecundity. 1914. *Pennsylvania*.
- ELAINE OKUNTOSOFF, Gymnasium (Russia) 1902; A.B. New York Normal 1908; A.M. Columbia 1909. Russian Russians in America. 1914. *Columbia*.
- MORGAN THOMAS RILEY, A.B. Yale 1907. Immigrants and trade unions: their reciprocal effects. 1914. *Columbia*.
- JACOB B. SALUTSKY, A.B. Perna Gymnasium (Russia) 1904. The labor and social movement among the Jews in the United States. 1914. *Columbia*.
- EARL L. STEHMAN, A.B. Franklin and Marshall 1912. Communistic life of the Moravians at Ephrata, Pennsylvania. 1914. *Columbia*.
- WARREN S. THOMPSON, A.B. Nebraska Wesleyan 1907, A.M. 1911. The growth of population in the United States in relation to the growth of food supply, 1860-1910. 1914. *Columbia*.
- PAUL WANDER, Ph.B. Chicago 1908. Occupational readjustment among the Russian-Jewish immigrants. 1915. *Chicago*.

Social Problems and Reforms

- VELLA MARTIN, A.B. Lombard College 1907; A.M. Chicago 1912. Jails and houses of correction in the United States. 1915. *Columbia*.
- JANE ISABELL NEWELL, B.A. Wellesley 1907; M.A. Wisconsin 1908. Social aspects of the temperance movement in the United States. *Wisconsin*.

Insurance and Pensions

- BENJAMIN S. BEECHER, B.A. Wisconsin 1910, M.A. 1911. Occupation hazard in life and accident insurance. 1914. *Wisconsin*.
ERNEST W. BURGESS, A.B. Kingfisher 1908. Health insurance in the United States. 1914. *Chicago*.
VICTOR N. VALGREN, A.B. Minnesota 1905, A.M. 1909. Farmers' mutual property insurance in the United States. 1914. *Chicago*.

Socialism and Co-operative Enterprises

- OTHO C. AULT, A.B. Tri-State 1907; A.B. Defiance 1911. The recent development of socialism in the United States. 1915. *Chicago*.
ALZADA P. COMSTOCK, A.B. Mt. Holyoke 1910. History of the Industrial Workers of the World in the United States. 1915. *Columbia*.
JOHN CULBERT FARIES, A.B. Minnesota 1889; A.M. Columbia 1913. The rise of internationalism. 1914. *Columbia*.

Statistics and Its Methods

- FRANCIS H. BIRD, B.A. Dartmouth 1909, M.A. 1910. Occupational survey of Wisconsin. *Wisconsin*.
LOUIS HENRY LUBARSKY, B.S. College of the City of New York 1904; A.M. Columbia 1911. Graphic statistics. 1915. *Columbia*.

NOTES

The office of the secretary of the American Economic Association has been moved from Cambridge, Mass., to Ithaca, N. Y. Orders for publications, subscriptions, and applications for membership should, therefore, be sent to Professor A. A. Young, Secretary of the American Economic Association, Ithaca, N. Y.

A Joint Committee on Academic Freedom has been appointed with the following membership: from the American Political Science Association, Hon. Frederick N. Judson of St. Louis, chairman, Professor J. Q. Dealey of Brown University, and Mr. Herbert Croly of Windsor, Vt.; from the American Sociological Society, Professor U. G. Weatherly of Indiana University, chairman, Professor Roscoe Pound of Harvard University, and Professor James P. Lichtenberger of the University of Pennsylvania; and from the American Economic Association, Professor Edwin R. A. Seligman, chairman, Frank A. Fetter, and Dr. Richard T. Ely.

A Second National Conference on Marketing and Farm Credits was held in Chicago in April. The program consisted largely of papers and addresses by advocates of some sort of reform in connection with markets or credits. There were about 325 delegates in attendance, of whom half were from Illinois, 33 were from Wisconsin, 17 each from Iowa and Michigan, and 15 from Minnesota. The most eager discussion centered about the question of financing the farm. The proceedings of the conference will be published in book form.

At the Exhibit for Better Industrial Relations, held at New York during April, addresses were made by J. H. Cohen on "Protocols in the garment industry"; Charles P. Neill on "Federal methods of arbitration"; Victor S. Clark on "Labor legislation in Australasia"; and by Mrs. Charles H. Israels on "The grievance board in the dress and waist industry."

The National Association of Corporation Schools will hold its second annual convention at Philadelphia, June 9-12. The Curtis Publishing Company will act as host. Many exhibits from corporations, showing the educational work done by them, will be displayed. The proceedings of the First Annual Convention, which was held at Dayton last year, have recently been published.

Columbia University during the coming year will offer courses in accounting and insurance. The course in accounting will be under

the special care of Mr. R. H. Montgomery, president of the American Association of Public Accountants, while the course in insurance will be given under the supervision of Mr. Arthur Hunter, vice-president of the Actuarial Society of America.

The department of agricultural economics of the Massachusetts Agricultural College has undertaken a new phase of extension work in the appointment of an extension instructor in organization and marketing. The work, which is already begun, includes the formation of farmers' coöperative associations; the improvement of marketing conditions; and research in marketing problems. It is in charge of Mr. R. H. Ferguson, a graduate of the Agricultural College of Guelph, Canada, and formerly with the Virginia State Board of Agriculture in a somewhat similar capacity.

The extension service of the Massachusetts Agricultural College has recently published a pamphlet, *The Farmers' Coöperative Exchange*, by Dr. Alexander E. Cance, of the department of agricultural economics. This bulletin is the result of much study both in this country and abroad, Dr. Cance having been a member of the commission for the study of agricultural credit and coöperation, which visited Europe a year ago. It is a very clear, logical, and practical statement of the advantages and methods of coöperative enterprises, and is designed primarily for the assistance of the farmers of Massachusetts, containing careful directions for the formation and conduct of coöperative organizations.

A department of business administration and banking has been established at Colorado College, of which Professor Warren M. Persons has been made dean.

Peabody College for Teachers, which hopes to fill for the South some such place as the Teachers' College at Columbia, will recognize the fact that the South is predominantly agricultural so far as industry is concerned. Special emphasis will be given to agricultural questions, including a number of special courses dealing with rural economic problems. These courses will be under the direction of John Lee Coulter, formerly of the universities of Wisconsin and Minnesota, and more recently of the Bureau of the Census.

The Department Store Education Association is making a scientific study of department stores in New York and the metropolitan district, and attempting to relate the employee's efficiency and her wages, and upon this to erect a system of education that will promote efficiency. Surveys are being made in ten stores by an efficiency expert,

an educational expert, and a sociological expert; and two schools are about to be opened in New York City.

The School of Commerce of New York University announces a tour through England for the study of commerce and industry, June 27 to August 30, 1914. A civic and social tour on the Continent will be divided into three divisions for study of (a) municipal problems and civic problems, (b) social problems and solutions, (c) labor problems and industrial betterment.

The Rand School Library, 140 East 19th St., New York City, specializes in important and authoritative works on sociology, economics, labor, socialism, political science, economic history, general science, and kindred subjects. It numbers over 3,000 volumes and has more than 10,000 pamphlets.

The David A. Wells Prize of Harvard University was awarded, for 1913, to Dr. Eliot Jones, now instructor in economics at the University of Pennsylvania, for a thesis entitled "The anthracite coal combination in the United States."

The Social Research Prize of £100 has been awarded by the London School of Economics to Reginald Lennard for his essay entitled "Economic notes on English agricultural wages." This essay, considerably expanded, was recently published in book form by Macmillan.

Mr. Edward W. Bemis, who has been in charge of an investigation of the rates of gas in Chicago, has aided in bringing about a compromise, accepted by both the city and the company, under which the price of gas has been reduced from 85 to 80 cents until December, 1915, and to 77 cents for three years thereafter. Dr. Bemis has also accepted an appointment to take charge of a report on the adjustment of rates of gas, electric light, street railways, and telephones, in the city of Washington for the Commission of the District of Columbia.

The second edition of Professor Seligman's *The Income Tax* has just appeared; the French translation of his *Essays in Taxation* will appear in June, and of the *Principles of Economics*, in the autumn.

Dr. Ralph H. Hess, of the University of Wisconsin, has recently assisted the Minneapolis Civic and Commerce Association in compiling statistics, for presentation to the National Bank Organization Committee, which show the claims of Minneapolis for one of the regional banks provided for by the new currency act as compared with the relative merits of other cities. The results have been published in the form of a monograph, containing some 100 pages and 37 charts, constituting an industrial survey of the city of Minneapolis.

The American Association for Labor Legislation has published, in two recent issues of the *American Labor Legislation Review*, full reports of its annual meeting and the first national conference on unemployment. The latter report contains a convenient summary of the world's laws on unemployment insurance and an extensive bibliography. A vigorous campaign has been started "to coördinate the efforts made in America to combat unemployment and its consequences, to organize studies, to give information to the public, and to take the initiative in shaping improved legislation and administration." The immediate program includes as the first practical step the establishment of municipal, state, and federal systems of free labor exchanges.

The issue of the London *Athenaeum* for February 6, 1914, contains a supplement entirely devoted to sociological literature.

A small four-page weekly called *The Tenants Weekly* has just been started in New York City to promote the agitation in favor of reducing the tax on improvements, or "untaxing buildings." It is published at 320 Broadway under the auspices of the Men's and Women's Societies to Lower Rents and Reduce Taxes on Homes.

The Oxford University Press has begun the publication of *The Political Quarterly* (10s. per annum). It is announced as a journal of contemporary political studies to consider the development of political, social, and economic policies in the United Kingdom and to direct particular attention to the remarkable growth in the sphere of state action alike in central and in local government. It will also review systematically the progress of political movements in foreign countries.

The first number of *Arbeitsrecht, Jahrbuch für das gesamte Dienstrecht der Arbeiter, Angestellten und Beamten* (Stuttgart, J. Hess, pp. 56, 6 M.), a quarterly publication, appeared in February. This journal will furnish an organ, hitherto lacking in Germany, devoted exclusively to the systematic treatment of the legal relations of employers and employees. Its editors, Dr. Heinz Potthoff and Dr. Hugo Sinzheimer, hope that the journal will aid in the development of a system of labor law similar to existing systems in other branches of jurisprudence, such as banking law and business law, the labor legislation of Austria, the development of an international labor law through such an agency as the Berne Conference, and the legal proceedings in a case of "blacklisting" in Frankfurt a. M. In addition to these articles, the issue contains drafts of proposed legislation, abstracts of judicial decisions, and a report on certain reforms in the

legal status of workingmen advocated by conventions of German workingmen. Subsequent numbers will include discussions of the attitude of political parties toward various labor laws and decisions and reviews of the recent literature in the same field. The *Beamten-Jahrbuch*, a supplement to *Arbeitsrecht* to be published regularly in conjunction with that periodical, is a journal of a propagandist nature which is designed apparently to encourage organization among government employees with a view to improving their working conditions.

L. WOLMAN.

After seven years (1907-1914) of suspended animation, the second part of the seventh volume of the *Allgemeines statistisches Archiv* has been printed and brings the welcome announcement that Professor von Mayr has enlisted the collaboration of Dr. Friedrich Zahn in editing the journal. Hereafter it will appear as a quarterly, beginning with April, 1914, and will be published by J. Schweitzer of Munich. It is a pleasure to welcome the reappearance of this invaluable statistical journal.

Appointments and Resignations

Miss Emily G. Baleh, professor of economics at Wellesley College, has been appointed to the Municipal City Planning Board of Boston.

Professor George E. Barnett, of Johns Hopkins University, is in charge of the investigation into trade unionism and collective bargaining which is being conducted by the United States Commission on Industrial Relations.

Professor Avard Longley Bishop, of the Sheffield Scientific School of Yale University, has been promoted to a full professorship of geography and commerce.

Dr. Solomon Blum, who has been assistant professor of economics in the University of California, has been elected assistant professor of economics at Colorado College.

President Kenyon L. Butterfield, of the Massachusetts Agricultural College, has just returned from his sabbatical year, the first part of which was spent in Europe as chairman of the American Commission for the study of agricultural credit and coöperation.

Mr. Robert A. Campbell, until recently secretary of the Wisconsin State Board of Public Affairs, has been appointed librarian of the Municipal Reference Library in New York City.

Professor Frank T. Carlton, of Albion College, is to give a course

in labor problems and one in the industrial history of the United States at the summer session of the University of Illinois.

Professor T. N. Carver will return to Harvard next year, although he will remain in a consulting relation with the Department of Agriculture at Washington.

Dr. Arthur Stone Dewing, who has been serving this year both as assistant professor of economics at Simmons College and as lecturer in corporation economics at Yale University, has been appointed assistant professor of political economy at Yale.

Professor C. W. Doten, of the Massachusetts Institute of Technology, has been appointed a delegate of the Boston Chamber of Commerce to the International Congress of Chambers of Commerce which is to be held in Paris, June 8-10.

Professor E. D. Durand, of the University of Minnesota, gave at Harvard University during the week of April 13 a series of four lectures on "What shall we do with the trusts?"

Dr. Lee Galloway, of New York University School of Commerce, Accounts and Finance has just been appointed to the advisory council of the Department Store Education Association.

Assistant Professor R. H. Hess, of the University of Wisconsin, has been made associate professor of political economy.

Professor Henry C. Metcalf, of Tufts College, will have charge during the coming year of the department of economics of the Boston Young Men's Christian Association.

Professor Wesley Clair Mitchell is appointed professor of economics at Columbia University.

Dr. Thomas W. Page, of the University of Virginia, has been appointed chairman of the Virginia State Tax Commission, which was created by the last legislature.

Mr. Wesley Everett Rich, who was assistant in economics at Harvard University in 1912-1913, has been appointed instructor in economics and social science at Wesleyan University to succeed Mr. E. B. Gowin.

Mr. Raleigh S. Rife, who has been acting as instructor at Princeton during the current year, has been appointed instructor in political economy at Yale.

Professor E. A. Ross, of the University of Wisconsin, has just re-

turned from an extended trip through South America, taken for the purpose of sociological research.

Professor E. R. A. Seligman has been made a member of the Committee of Twenty-five of the Mayor's Taxation Committee, New York City.

Mr. Donald S. Tucker has been appointed instructor in economics at Columbia University.

Dr. Arthur James Todd, associate professor of sociology at the University of Illinois, has been appointed professor and head of the department of sociology in the School of Economics, University of Pittsburgh. Dr. Todd will spend the summer in Europe making sociological investigations.

Professor A. B. Wolfe, of Oberlin College, has accepted a position at the University of Texas.

Dr. Stuart Wood died March 3, 1914. Mr. Wood was vice-president of the American Economic Association in 1889-1890.

Dr. Anna Youngman, instructor in the department of economics and sociology at Wellesley College, has been appointed associate professor for next year.

Changes announced in the department of economics and sociology at the Ohio State University for the following year are as follows: Professor J. E. Hagerty, head of the department, will return after a year's leave of absence. Professors F. A. McKenzie and O. C. Lockhart and Assistant Professor Beatrice Sheets have each been granted leave of absence for the year 1914-1915. Assistant Professor C. O. Ruggles has been made full professor. Mr. Horace B. Drury has been appointed instructor in economics; and Miss Louise Mark, formerly of the federal Bureau of Labor and now of the Ohio State Board of Health, has been appointed assistant in statistics.

At the University of Wisconsin, Mr. F. H. Elwell has been promoted from assistant to associate professor in accounting; Mr. William H. Kiekhoefer and Mr. Henry R. Trumbower have been promoted to assistant professorships in economics.

